

The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, JUNE 26, 1931



WRITE FOR GENERAL AGENCY PROPOSITION
AND TERRITORY

 **RESERVE LOAN LIFE**
INSURANCE COMPANY
INDIANAPOLIS, INDIANA. 



Left: Oak Street Beach. Looking south toward the Loop. Navy Pier can be glimpsed at the extreme left. This photograph was taken from a point almost directly above the Home Office of the Illinois Life.



South entrance to Lincoln Park. Sheltered lagoon and outer drive in background.



A beautiful spot in Jackson Park. The yacht harbor with municipal golf course in the foreground. . .



"Cliff dwellers!" Apartment homes facing Lake Michigan. This view looks south from Lincoln Park toward Chicago's famous "Gold Coast."

Looking Well

CHICAGO can boast of beauty. A skyline of imposing splendor. Twenty-six miles of shoreline. Lake Michigan for a front-yard. A boulevard system second to none in the world. An area of 6,446 acres given over to parks within the city limits. Quaint old neighborhoods nestling under the shadows of modern skyscraper apartments. Quiet tree-lined avenues. Roaring paths of traffic. A strange mixture of the old and the new. In spite of a breath-taking rate of growth, Chicago recognizes the economic worth of "good personal appearance."

ILLINOIS LIFE INSURANCE CO.

ILLINOIS LIFE BUILDING CHICAGO 1212 LAKE SHORE DRIVE

Raymond W. Stevens, *President*

CHICAGO

A Good Place to Live

A Good Place to Work

INSURANCE FOR MEN, WOMEN, AND CHILDREN.. STANDARD, SUB-STANDARD, AND PREFERRED RISK

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, INDIANA.

Retirement Income Plans
Family Income Plans
Annuities Endowments
Business Insurance
Investment Insurance

A policy to fit every life insurance need.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, INDIANA

An Aggressive, Progressive Company

5% interest paid on trust funds left with

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY,
FORT WAYNE, IND.

The Lincoln National Life Insurance Company
Fort Wayne, Indiana

From coast to coast
31 states and D.C.

True to the name of Lincoln

Even in 1930 **10% GAIN!**

The Lincoln National Life Insurance Company
Fort Wayne, Ind.

The Indiana Compulsory Deposit Law guarantees policyholders of **The Lincoln National Life Insurance Company, Ft. Wayne, Ind.**
Complete Protection

The Lincoln National Life Insurance Company



In Tribute to
Samuel Wesley Goss

Vice-President and Superintendent of Agents
1911-1931

Security Life Insurance Company
OF AMERICA

Executive Offices + One Thirty Four North La Salle Street + Chicago

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Fifth Year No. 26

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 26, 1931

\$3.00 Per Year, 15 Cents a Copy

Investment Man Has Sound Advice

Counsels Companies Against Tying
Up Funds in Long Term
Securities

SUGGESTS TWO COURSES

Expert Sees Some Chance for Profit
on Real Estate—Has Confidence
in Country

NEW YORK, June 25.—The financial situation existing at the beginning of this century offers a significant and valuable parallel to that facing life insurance investment officials today, in the opinion of one of the outstanding investment executives of the country.

"In 1901," this authority said, "interest returns were low and few actuaries believed that they wouldn't stay that way. Leading actuaries believed that life insurance companies, at least for new issues, should adopt a 3 percent reserve basis. There were only two or three who took the position that money is a commodity and that demand for it would result in a fluctuating interest rate, which opinion has proved correct since that time."

Gives Word of Advice

"Investment officials of life companies should profit by the example of 1901 conditions and not tie up their funds in long term securities, which may be bought on a much more favorable basis later on. I recall an instance during the early part of the century, when life companies bought largely of an issue of a certain railroad's bonds at about 3.40 percent interest and maturing in 100 years. They bought at 105 and the bonds subsequently sold between 70 and 80."

"I should suggest two courses in the buying of securities under present conditions. The first is to buy second grade securities if the purchaser has sufficient confidence in the earning power of the company issuing them. Quotations on these are such that they may be bought on a 5 to 6 percent basis."

Railroad Bonds Good

"For instance Missouri Pacific 5 percent bonds, due in 1981, which were floated not long ago by Kuhn, Loeb and J. P. Morgan & Co., were offered at 95. Recently they sold as low as 76½ and today they are at 82. They should be good under normal conditions and at 82 they can be bought on a 6 percent basis."

"An increase in railroad rates will do much toward restoring confidence in this type of security, and it seems as though the Interstate Commerce Commission cannot reasonably refuse to allow rate increases, in view of the degree to which railroads have been restricted."

"The second course is to purchase the best grade of short term investments with not more than ten years to run."

Disability Panic of East Is Not Shared in West

While eastern executives are expressing the greatest consternation as to disability, few of the western companies appear to be more than merely interested in the problem. A safe guess is that if a poll were taken of western companies, the majority would favor continuing the disability clause in its present form although there are some nearly as panicky as in the east. Many western companies are making money on disability and few companies are alarmed at their losses.

It was significant that at the annual meeting of the American Institute of Actuaries in Minneapolis, disability was not discussed. The absence of this topic caused comment from representatives of eastern companies, who were in attendance. Although a few western companies are greatly in favor of modification of the disability clause, the absence of discussion of the problem at the Minneapolis meeting would indicate that most of the companies are complacent about it.

Why Experience Is Favorable

One reason for favorable disability experience among western companies is undoubtedly that those companies have not shared so extensively in the jumbo lines on persons engaged in speculative enterprises as the eastern carriers. The heavy drain on surplus because of disability has come from those claimants who can retire comfortably and even luxuriously on disability benefits. That sort of man is much more likely to be insured in the large eastern companies than in the average western company. It is the payments running in the neighborhood of \$1,000 a month or more which are causing panic in eastern offices, but liability under the disability clause for this amount is rare in the west.

Probably the western companies were more cautious in their disability underwriting than were the eastern companies. Because of their smaller size, the executives of western companies are likely to have a more complete knowledge of developments and tendencies in their companies than are the departmentalized executives of eastern companies. The business of western companies is probably nursed better than

This is the present tendency among life companies and other corporations. It will continue until there is a distinct improvement in the business situation, a greater demand for money, an improving general outlook and feeling of confidence which is, of course, prerequisite to a return of normal conditions.

Takes Up Mortgage Situation

"As to the mortgage situation generally, many life insurance companies have found themselves restricted in their investments by reason of heavy demands on their funds for policy loans, surrender values and other claims simultaneous with reduction of income from investments, not necessarily due to the fact that the investments are not in good

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that of the average eastern carrier.

In the adjustment of disability losses, western companies are probably more zealous and have the facilities for checking up more closely on claimants. Much detective work is done in the west, with officials of a company often going in the field to expose a suspected beneficiary of disability payments as working at a task, which he pretended he was unable to do. Suspicious claims stick up like sore thumbs in moderate sized companies, every one from the president down being acquainted with them and every one interested in clearing them up. In the east, fictitious claims are likely to be a matter of average, of tendency and are dealt with in the mass.

The suggestion has been made that if the eastern companies greatly modify the disability clause, there will be a selection against the western companies. This is based on the theory that some of the western companies are too "cocky" about their disability experience and that they will fall prey to persons in the market for disability insurance as a pension scheme, who are causing so much concern to the eastern companies, and whom it is desired to eliminate by revising the disability clause.

Others believe that western companies will feel the woes of disability in future years. Those companies, according to this theory, which wrote disability on the mass production basis were bound to suffer almost from the start, while in the smaller companies, bad spots are likely to develop sporadically and in later years.

There has not been much disability written by western companies for more than \$25,000 and policies in that class are rare. Although figures are not available, it is the general opinion that the bad disability experience develops in amounts above \$25,000.

Here Is a Way to Meet Day's "Show Me" Spirit

The "show me" spirit is not restricted to Missourians these days and life underwriters must prove that life insurance really pays if they expect to write a large volume of business. The Life Payment Number, which will be sent free to all National Underwriter subscribers the latter part of July, is the best evidence in the world that life insurance pays. It shows the individual death claims paid by life companies in 1930 with totals by cities, states and for the nation. It makes an excellent sales document and managers and general agents should furnish their men with free copies. On page 7 of this issue is a handy blank for ordering extra copies. Send your order in today and get your men copies of the most effective visual sales book published in 1931.

Form Committee on Rail Securities

Duffield of Metropolitan Heads
Emergency Organization to
Aid Railroads

LARGE POTENTIALITIES

Lower Earnings of Public Carriers Demands Rate Increase, Threatens
Bonds Held by Life Companies

NEW YORK, June 29.—Representatives of prominent life companies and mutual savings banks from various parts of the country chose E. D. Duffield, president of the Prudential, chairman of an "emergency committee on railroad investments of life insurance companies and savings banks," at a meeting here.

The purpose of organizing the committee is to "assist in the betterment of railroad conditions and thereby to conserve the railroad security investments of these fiduciary institutions."

Purpose of Committee

"It was determined to present the viewpoint of these institutions as to the need for additional revenues to the interstate commerce commission through a petition to be filed at an early date," leaders stated. "All life insurance companies and mutual savings banks in the country will be invited to associate themselves with the committee."

Other officers of the committee are: Treasurer, P. A. Benson, treasurer Dime Savings Bank, Brooklyn, and secretary, Henry Bruere, president Bowery Savings Bank.

It is estimated that of the approximately \$20,000,000,000 railroad securities outstanding, life insurance companies and savings banks hold about \$4,500,000,000, of which life companies hold slightly more than \$3,000,000,000.

Large Representation

Close to 75 percent of the life companies and savings banks holding this \$4,500,000,000 and eligible for representation at this meeting was represented either in person or by letter. Life companies sending personal representatives included the Metropolitan, Prudential, New York Life, Mutual of New York, Aetna Life, Massachusetts Mutual, New England Mutual and State Mutual.

While life companies normally are not so much interested in the quotations at which railroad securities are sold, it is obvious that they would be greatly concerned if rail earnings should fall so low that the roads would be forced to default interest payments on bonds. In such case, companies would have to carry these securities at their market value instead of amortized value, and the lowered market value which would naturally result would necessitate a heavy marking down of assets of this type by life companies.

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Disability Clause Major Subject at Conferences

SOME MOVE IS NOW LIKELY

Company Officials Are Considering What Is the Wisest Course in View of Conditions

NEW YORK, June 25.—Representatives of prominent life companies held another meeting here this week on the disability situation. The session was strictly executive and no announcement was made following the meeting as to any conclusions reached or future meetings. While no comment could be obtained from those who attended the gathering, others in close touch with the disability problem believe that of the several means by which disability losses might be lessened in the future, the most may be expected from reduction of benefits from \$10 per \$1,000 to \$5, and the cutting off of payments at age 55. The reduction from \$10 to \$5 would put disability coverage back in its logical position as a minor appendage to the life contract and lessen the present tendency of the tail to wag the dog.

Say Course Is Logical

It is also felt that cutting off disability benefits at age 55 or at some age coinciding more or less with the normal age of retirement, is entirely logical. A rate increase may be necessary, although if the benefits are reduced from \$10 to \$5 the rate per \$1,000 would almost certainly be less than at present. It is believed that such an increase in rate, if in connection with a cut of 50 percent in benefits per \$1,000, would not bring about adverse selection in anything like the degree that otherwise might be feared. Increase of the waiting period from four to six months has been discussed, as has the importance of stricter underwriting, although on the latter count it is pointed out that there is not the same need or room for stricter underwriting on disability, as for instance in the jumbo risk field, and consequently that too much cannot be expected from putting the bars much higher.

Monument for the First Commissioner Proposed

The question of financing the erection of a monument to Elizur Wright, the first insurance commissioner, who is sometimes described as the "Father of Life Insurance," was referred to a special committee of the National Convention of Insurance Commissioners at the semi-annual meeting in Chicago. The committee is headed by Commissioner Read of Oklahoma, who is president of the convention. Other members of the committee are Livingston, Michigan; Boney, North Carolina; Brown, Massachusetts. This committee will report its conclusions to the convention in annual session in Portland, Ore.

One suggestion is that the companies and agents undertake a campaign in honor of Mr. Wright, agents and companies contributing a certain portion of their writings to a memorial fund. A feature of the monument might be a room for the display of bronze tablets upon which would appear the names of contributing companies, their officers and leading producers.

Elizur Wright, who died in 1885, served as Massachusetts commissioner from 1858 to 1867. He was author of the bill creating the legal reserve law of Massachusetts and the insurance department of that state. He is also famous for the non-forfeiture law of 1861, which was the first step in ending the abuses in connection with lapsation.

The Midland National Life of Watertown, S. D., has been licensed in Minnesota.

Liberalized Investment Law of Ohio Explained

President H. B. Arnold of the Midland Mutual Life in the house organ of his company explains the new Ohio investment bill, which was signed by the governor. He said that it maintains the conservative standards governing investments of Ohio companies but enlarges the field to afford greater opportunity for diversification and allows certain investments when others are not available. Mr. Arnold says the following are the additional forms of investment:

1. Bankers' acceptances must arise out of actual commercial transactions and must mature within ninety days. There must be approved drawers and acceptors, supported by the acceptance of a bank or trust company, and these bills of exchange must be eligible for rediscount with federal reserve banks. The interest rates are very low and this form of investment affords a safe short-term investment.

2. Equipment trust certificates arise out of the necessities for a railroad's financing the purchase of rolling stock when its properties are covered by bond issues. With an initial payment of at least 25 percent the unpaid installments represented by the certificates are a first lien on specific equipment, and are payable out of earnings during a period within the probable life of the equipment. As railroads cannot be operated without the rolling stock which furnishes their operating income, these certificates are of the most conservative type and yield a low income return.

3. Investments in the bonds of the Dominion of Canada or of a province which has not defaulted in principal or interest for 25 years, as is authorized for the bonds of the United States or of a state or territory.

4. First mortgage bonds which are the direct obligation of an operating railroad which has earned above maintenance-of-way and equipment—charges at least one and one-half times the average yearly interest required, for seven fiscal years preceding.

5. First mortgage bonds which are the direct obligation of a corporation en-

gaged directly and primarily in the production and sale of electricity or gas, or in the operation of telegraph and telephone systems or water works, whose bonds and funded debt shall not exceed 50 percent of the value of its properties, and the net yearly earnings of which, after proper charges for replacements, depreciation and obsolescence, shall have been at least double the average yearly interest on mortgages and funded debts for seven fiscal years just preceding.

6. In the preferred stocks of any United States company upon which the net earnings each year for seven fiscal years, immediately preceding, after deduction of interest on all mortgages and funded debts, and proper charges for replacements, depreciation and obsolescence, shall have averaged four times the amount required to pay the dividends on such stocks, and in which the mortgages, funded debts and preferred stocks shall not exceed 60 percent of the value of the company's property. Such investments are restricted to capital, surplus and contingency funds, and the investment in one company is restricted to 5 percent of such funds and to 5 percent of the stock of one company.

7. In land trust certificates evidencing beneficial ownership of fee simple titles to real estate with income guaranteed under leases of at least twenty-five years duration, restricted to 60 percent of the values of properties, on which five-year actual earning records are available and with provision for annual reduction.

"There are other restrictions which make the additional forms of investments ultra-conservative," Mr. Arnold says. "Investments, either directly in or by loans on the company's own stock, are forbidden, as well as participation in any underwriting or promotional transactions. In a general way it may be stated that probably 95 percent of all the life insurance business is written by companies of states where the laws permit of as wide a field of investment as is permitted by the new Ohio law, but the restrictions in the Ohio law in a general way are more conservative than under the laws of the states which recognize similar investments."

Some Companies Likely to Reduce Policy Dividends

PROFITS GREATLY DECREASED

Mortality, Disability Claims and Decline in Interest Earnings Are Having Material Effect

NEW YORK, June 24.—Most officials and keen observers of the life insurance business do not look for a general decrease in policyholders' dividends on part of mutual companies but they do say that a number of companies will be forced to reduce their dividends because of the danger of eating into their surplus too far if the present scale continues. Sound management finds that ample surplus with a contingent reserve for fluctuations of all kinds is highly desirable. Any analyst can take the ratio of surplus to liabilities over a period of years, company by company, and he can predict for himself the ones that will be forced to make a reduction or pay the penalty.

No Reflection on Companies

A reduction in dividends is no reflection on a company. The business has been traveling in an abnormal way. Some companies have been unfortunate in some of their investments which have caused a reduction in surplus. Others have had a high mortality. Others have had to take punishment in their disability losses. Others have been going too fast and furious in spending money for expansion and have paid out more to increase production than they should. Companies are affected differently. Where it is found that there is too heavy a drain the foundations must be strengthened.

No Immediate Announcement

It is not likely that any announcement will be made by any of the companies until fall because the situation will have to be carefully analyzed. The New York insurance department, however, has warned companies not to allow agents to solicit business on the strength of the continuance of the present dividend scale if there is doubt as to whether it can be maintained.

Company officials are realizing that they cannot continue work on too narrow margins. Business has been written on a basis that will mean a loss if present conditions continue.

Coupon Clean-up Contest Is Conducted by Reliance Life

W. C. Woellner of Cincinnati and G. P. Felty of Johnstown were the national winners in the newspaper coupon clean-up contest held by the Reliance Life of Pittsburgh during April and May for business produced from coupon inquiries received from the national newspaper advertising campaign the company has been conducting for the past six months in 38 leading newspapers. Mr. Woellner was the national leader in paid volume and Mr. Felty was the national leader in number of paid sales.

The national leaders in this contest are both in their first year with the Reliance Life. More than 1,200 agents participate in the benefits of the newspaper advertising which has produced more than 10,000 inquiries and resulted in more than \$2,000,000 of new insurance.

New President of Northern Life

R. G. Ivey of the legal firm of Ivey, Elliott & Gillanders, a director of several companies in western Ontario, has been elected president of the Northern Life of London, Ont. He has been vice-president since 1925, and succeeds the late C. R. Somerville.

Juvenile Insurance Inquiries Brought Out Through Mail

Juvenile insurance has proved to be the most effective leader in securing live inquiries on additional protection from old policyholders, according to a recent analysis made by the Lincoln National Life. For the past few months enclosures carrying a request for printed material about various contracts and other items have been mailed in Lincoln National premium notices. Business reply cards are attached to the enclosures and returns from them are averaging better than 16 percent. It was from these returned requests for information that the analysis was made.

As was noted, juvenile insurance headed the list with the greatest number of inquiries. A booklet carrying company information, entitled, "What you should know about the Lincoln National Life," was second. The retirement income, under the title "Pension Yourself," was third in arousing interest; and insurance for women was fourth. The family income policy held fifth place, and annuities was sixth in number of replies.

Harry Loman's recent book, "Taxation," presents a discussion of the various tax problems relating to life insurance. Price, \$2.50. Order from The National Underwriter.

Connecticut Mutual Women Win Honors

Some notable production records were brought out at the agency convention of the Connecticut Mutual Life at Swampscott, Mass. Mrs. James McCluney of the Stratford Lee Morton agency, St. Louis, insured more lives and produced more premiums than any other first year agent, and every application was accompanied for a check for the annual premium.

Awarded Steiner Cup

She was awarded the Steiner Cup for the greatest number of lives insured and ordinarily would also have won the Reagon Cup for volume production, but under the company's rules an agent can win but one of the big cups. The competition started Aug. 15. Mrs. McCluney did not join the company until Oct. 15, but despite this two months' handicap she easily outstripped all competitors with personal production exceeding \$1,000,000.

Mrs. Sarah O. Stanley of Creston, Ia., ranked first among the company's entire agency force in paid lives for the club year. Theodore C. Stein of Red Oak, Ia., produced the largest amount of paid premiums. This record is the more remarkable because of the fact that Mr. Stein is totally blind.

Production Shows Decline in United States for May

BELOW FIGURE LAST YEAR

Research Bureau Reports 16 Percent Falling Off for Month—Affects Entire Country

HARTFORD, CONN., June 25.—The volume of ordinary life sold in the United States in May was 16 percent below that purchased in May, 1930. The general decrease was experienced in every section of the country. The New England states showed the smallest loss and were only 4 percent below the 1930 volume. Two states in the New England section, Maine and New Hampshire, increased their production and were the only two states in the country to record gains.

Next to the New England section, the middle Atlantic states had the best experience. These three states pay for about one-third of the new insurance sold in the country. Their sales in May averaged 12 percent below those of May, 1930.

For the first five months of 1931, the United States as a whole has paid for a volume of new insurance 17 percent below that of the same period last year. No section has shown gains for the year. The New England states lead for the year with the smallest decrease and the middle Atlantic section gain ranks second. The sections showing the poorest experience for the year are those in which business was further retarded by the drought, the east and west south central states.

The following table compares May sales to those of May, 1930, and also gives a comparison for the five-month period. These figures are prepared by the Life Insurance Sales Research Bureau and are based on the experience of 76 companies having in force 88 percent of the total legal reserve ordinary life insurance outstanding in the United States:

	May, 1931	First Five Months of 1931
	Compared to May, 1930	Compared to May, 1930
U. S. Total	84	83
New England	96	93
Middle Atlantic	88	85
East North Central	84	83
West North Central	77	80
South Atlantic	87	83
East South Central	73	71
West South Central	75	76
Mountain	79	79
Pacific	77	77
Cities		
Boston	98	91
Chicago	88	89
Cleveland	89	85
Detroit	103	82
New York	86	84
Philadelphia	94	90

Lincoln Life & Accident Is Now Branching Out

The Lincoln Life & Accident of Oklahoma City has added an industrial 20-year endowment for both young people and adults. It has also added a substandard industrial 25-year endowment for all classes. The company was organized in 1916 and started in a modest way. It has increased its space and on June 1 it moved to the Key building in Oklahoma City. Its new office is well equipped. The company has in the hands of its actuary, policies and rates for ordinary insurance and will start writing this class in about a month.

New England Mutual Ahead

The New England Mutual Life reports that it is slightly ahead the first five months of the year. The May business exceeded May of last year 18 percent. While large city agencies fell behind last year nearly all are ahead this year.

U. S. Chamber Insurance Department Chairman



C. W. GOLD

GREENSBORO, N. C., June 25.—C. W. Gold, president Pilot Life, has been named by S. H. Strawn, president United States Chamber of Commerce, chairman of the insurance department committee. Mr. Gold has accepted the post and expresses the greatest interest in the work of the national chamber in promoting better insurance standards.

For some years Mr. Gold has been a director of the national chamber and his appointment as head of the insurance department is recognition of able service rendered in other capacities. He recently completed a term as president of the American Life Convention.

School Pension Fund Makes False Promises to Teachers

Half-baked pension or retirement fund schemes are dealt a sharp blow in a report on the Chicago school pension plan made by the Cleveland Audit Company, a concern recommended by a state senate committee to investigate the condition of the teachers' retirement fund in that city.

"The pension funds," says the report, "are holding out false promises to thousands of teachers; promises that can never be fulfilled. The financial involvements created by this muddle should prompt the board to give this subject immediate consideration."

The report states that the Chicago teachers pension fund has a deficit of \$37,851,709. It lacks that much money, or the means of getting it under the present laws, to pay the pensions promised the instructors.

The actual calculations were made by Donald F. Campbell. Mr. Campbell recommends that the deficit be amortized over a period of 40 years. To continue paying pensions on the present scale and amortize the deficit in 40 years Mr. Campbell reports that it will be necessary for the fund to obtain annually \$2,523,500.

Besides the pension plan the Chicago school board is required by law to carry retired teachers on its payrolls for life under a sliding scale arrangement. "Nothing," says the Cleveland audit company, "could be more chaotic than this dual arrangement. Both of the schemes are fundamentally unsound."

Form New Stock Company

William Schultz, jr., and C. G. Schultz, officers of the Union Mutual Life and Union Mutual Casualty of Des Moines, have formed a third company, the Union Mutual Life of Iowa, a stock company with \$200,000 capital, which will write life and accident insurance.

Government Reports That Farmer is Underinsured

Life and accident and health insurance carried by farmers is sadly inadequate, it is shown in a survey just completed by the Department of Agriculture.

The report states many farmers disregard the need for protection and suffer from an "unwarranted complacency" toward the personal assumption of serious risks. There also in many cases is insufficient income to permit purchasing adequate protection.

Several Surveys Made

Credit and insurance surveys a few years ago in southeastern states disclosed that 25 percent of farmers carried life insurance, the average amount for those insured being \$1,500. A relatively recent survey by the University of Minnesota covering expenditures of 357 farm families in seven counties showed 53 percent of the families with life insurance, the average premium being \$38.

The Department of Agriculture surveyed family expenditures in Ohio, covering 300 farm families in Vinton, Jackson and Meigs counties, finding the average annual premium only \$13. Another more comprehensive survey covering 2,886 farm families in selected localities in 11 states developed that only 45 percent had any form of life or health insurance; the average premium was found \$41 per family.

The most recent family income and expenditure study was made by the University of Wisconsin last summer, covering 360 families in Portage, Langland and Sawyer counties, Wis. The average premium per family for life and health insurance, primarily life insurance, was \$29.

"These fragmentary data, while affording no satisfactory basis for an estimate of the actual life and other personal insurance carried by farmers," the report concludes, "nevertheless, suggest that of these forms of protection, somewhat less than one-half of the farmers have any; while those who have it carry much less than the average for the heads of families in the United States as a whole."

"With a total volume of outstanding life insurance in the country equal to about \$1,000 for every man, woman and child, including those on the farm, life insurance per farm family does not exceed the amount per capita for the non-farm population. While upwards of half of the farmers apparently have some life insurance, the percentage of those who have any form of accident or health insurance will probably fall well below 5 percent."

Managers School Conducted by Research Bureau in South

CHAPEL HILL, N. C., June 25.—Agency builders representing 10 companies are gathered here for a two-week school in agency management being conducted by the Life Insurance Sales Research Bureau. Classes are being held at the University of North Carolina and most of the students are living in the university dormitories. The course is being attended by men who are engaged as managers, general agents, supervisors or agency assistants, and home office representatives. It will offer definite training in the application of information gathered to specific agency building problems. In the light of present day conditions will be discussed the chief problems confronting the manager or general agent including recruiting, training, supervision, business management and conservation.

Members of the staff who are here to conduct the course are H. G. Kenagy, assistant manager; S. G. Dickinson and G. Fay Davies. The following companies are represented: Jefferson Standard, Liberty National, Mutual Benefit, National Life & Accident, National Life of Vermont, Pilot Life, Protective Life, State Mutual, Sun Life of Canada, Union Central and Volunteer State.

Similar schools will be conducted by the Research Bureau at Babson Institute, Babson Park, Mass., July 20-31, and at Northwestern University, Evanston, Ill., Aug. 17-28.

Citizens National May Merge

Stockholders of the Citizens National Life of East St. Louis, Ill., will hold a special meeting July 9 to consider a proposal for merger with the American Bankers.

It is understood that the terms of the merger contemplate that stockholders of the Citizens National would be given two shares of stock in the American Bankers for each share of Citizens National stock held. J. G. Bardell of Highland, Ill., is president of the Citizens National, while T. E. Sly is vice-president and general manager. The company was organized in 1927 and closed 1930 with \$718,000 of insurance in force.

Peoria Life Men Put Forth a Candidate



LESTER O. SCHRIVER

The Peoria Life Underwriters Association is pushing L. O. Schriver, general agent of the Aetna Life there, for the position of fourth vice-president of the National Association of Life Underwriters at its forthcoming convention. Mr. Schriver is widely known as an organizer, educator and lecturer. He has served the Peoria association on the National executive committee. He started his career as agent of the Aetna Life at Middletown, Conn., ten years ago. He was called to the home office in 1925 and placed in charge of sales training. He was elected sales superintendent of agencies in 1927 and was transferred to the position of divisional superintendent. He was sent to Peoria in 1929 as general agent and has been very successful. He has made a number of addresses before life underwriters' associations and sales congresses in different sections. Recently he completed a three weeks' tour among the Canadian associations by giving life insurance talks.



New York Life Agents' compensation includes "Nylic," a monthly payment beginning after two years' service, based on previous production. This gives them a certain regular income increasing from time to time during the next 18 years, based upon the same annual production of new business. "Senior Nylics" have served a minimum of 20 years and are drawing an annuity, payable in monthly instalments, which will continue for life. Most of them are still active in writing new business, though they have the right to retire.

NEW YORK LIFE INSURANCE COMPANY
51 Madison Avenue, Madison Square
New York, N. Y.

Program Is Announced for Woods Agency Convention

MANY BIG MEN ON PROGRAM

Unusual Concentration of Notables Will Feature Educational Conference at Ocean City, N. J.

Four hundred members will attend the annual educational conference of the Edward A. Woods Company of Pittsburgh, general agent Equitable Life of New York, at Ocean City, N. J., July 6-10. Home office officials, outstanding Equitable underwriters and leaders of other companies will speak. Qualification requirements have greatly stimulated sales and the agency is running approximately 15 percent ahead in written business.

Among the speakers and subjects are: W. M. Duff, president Woods Company, "Your Conference and What it Offers You," F. B. Runyon, superintendent of agencies home office, "The Eastern Department and the Edward A. Woods Company," F. L. Jones, vice-president, "Building Your Business," W. J. Powell, vice-president Woods Company; M. C. Laffey, treasurer Equitable, "How the Equitable Policyholders' and Beneficiaries' Funds Are Truited," T. I. Parkinson, president Equitable, "Our Society," Earl G. Manning, John Hancock, Boston, "Progressive Underwriting," W. W. Klingman, vice-president, Equitable, "Selling Equitable Insurance in 1931," Dr. G. B. Van Arsdall, field course instructor, "The Annuity Service of the Equitable," C. J. Westermann, director conservation department Equitable, "Conservation From the Standpoint of the Home Office," Harvey Weeks, assistant vice-president Central-Hanover Bank & Trust Company, "How Life Underwriters Are Increasing Their Income Through the Use of Life Insurance Trusts," William Alexander, secretary Equitable, "Developing One's Self in Intelligent Life Underwriting," A. M. Spalding, director agents' training Equitable, "The Educational Program of the Equitable," L. G. Simon, president New York Life Underwriters Association, "Business Life Insurance of Today," Merle Thorpe, editor, "Nation's Business," "Let Us Look Ahead."

Mr. Duff will present the Edward A. Woods trophy in the concluding session and will outline the five-year program.

Five hundred members of the sales and office force Edward A. Woods Com-

New Candidate



ELBERT STORER

Elbert Storer, agency manager of the Bankers Life for Indiana, is the unanimous choice of the nearly 700 members of the Indianapolis Association of Life Underwriters for president of the National association. A boom for his candidacy was launched last Friday at the closing meeting of the Indianapolis association, George Wainwright of the Prudential and a former president of the Indianapolis association, making the motion that the organization get back of Mr. Storer. The motion was passed with great enthusiasm and, because of its numerical strength and activity, the sponsorship of the Indianapolis association will undoubtedly have weight with the national body, of which Mr. Storer is at present a vice-president.

Mr. Storer has been one of the prime movers in the Indianapolis association, serving as its president and in other official capacities. He had been active in other insurance organizations as well, having served as chairman of the Indiana Insurance Day general committee and as president of the Insurance Federation of Indiana. He will make a strong candidate for president of the national body.

New Commissioner Has Taken Office in Iowa

DES MOINES, June 25.—Ray Yenter tendered to Governor Turner this week his resignation as insurance commissioner. E. W. Clark of Mason City took charge of the office Tuesday morning, a week in advance of the regular term to which he had been previously appointed. It is understood that Mr. Yenter assumes the presidency of the Federal Surety at Davenport at once. Mr. Clark announces the appointment of P. H. Cless as chief deputy and L. M. Penquite as assistant.

Maccabees' Expansion Planned

A drive to double membership and insurance in force was launched by D. J. Coakley, supreme commander of the Maccabees, at a field conference at the headquarters in Detroit June 24-25, attended by 50 state managers and assistants. The remarkable increase in juvenile business was discussed and field problems talked over. No changes in policies or rates were announced.

Farmers Union Mutual's Year

Up to June 17 the Farmers Union Mutual Life of Des Moines had a gain of about 30 percent in issued business as compared with the same period in 1930. January and February showed the largest gains so far. The January gain was 100 percent above January, 1930.

RE-FINANCING OF INSURANCE COMPANIES

Our new loftier quarters have increased our facilities to provide financial assistance or effect the merging of insurance companies. Inquiries invited from banking institutions as well.

C. WAYNE GOULD & CO.
Conway Building, Franklin 3489, Chicago



Above is shown a representative reading page from the Life Payments Localized Number.

---the REAL story of life insurance

Others like it!
You will too!

With Him At All Times

"I consider the edition of your magazine that gives the life payments a very valuable document. I carry it in my brief case at all times. It shows those who may not see life insurance in a serious manner the great amount of good that is derived from providing a fund against the time of greatest need for widows and orphans as well as business needs. I look forward each year to this issue and use it in a great many ways."

W. D. Alley, Forest City, Ark.

All Agents Used It

"A copy of the Life Payments Localized Number was furnished each agent in our department (about 45), who in turn used it regularly on his prospects. Certain records were mimeographed and used in canvassing. I saw newspaper editorials based upon certain information taken from the issue in question."

N. S. Tomlinson, Supervisor,
Reliance Life, Birmingham, Ala.

Shows Insurance's Value

"We found the Life Payments Number to be of great help to our men. It was used most in bringing out the value of insurance and the large amounts carried by acquaintances of the prospects. We feel that this particular number is doing much in selling our clients on the value and advantage of creating an estate through insurance. There were sales made that were a direct result of the Life Payment Number."

Hal Norwood, Little Rock, Ark.

Helped Make Sales

"The Life Payments Localized Number was valuable to the agent. It helped me to make many sales. The effect on prospects was wonderful."

J. L. Spence, Asst. Mgr.,
Prudential, Monticello, Ark.

Conditions Call For It

"The information made interesting conversation and undoubtedly eliminated any unfounded suspicions that life companies 'took all and gave none.' Believe present economic conditions call for such information more than ever."

James C. Hanley, Los Angeles.

General Agents

Provide your producers with this valuable soliciting aid. Your largest policyholders will also be interested in this number. Why not give them a copy?

THAT'S what you get in the "Life Payments Localized Number" of The National Underwriter. The story of life insurance is told in the amount of money distributed. Policies that became claims in 1930 along with the names of individuals are listed for every town, city and state.

Over 3,500 leading newspapers will simultaneously publish the local facts as interesting local news. The spotlight of public attention will be focused on life insurance! That's the time you want to solicit your prospects and clients.

You'll find them interested in your copy of the "Life Payments Localized Number." They'll want to thumb through it noting life insurance paid their friends and neighbors. They'll be impressed with other features of life insurance vividly presented in this big special edition.

Be sure to order your copies of this helpful, interesting soliciting document today. Mail the coupon below.

Prices for Copies Life Payments Localized Number

1-49 COPIES	50-99 COPIES	100-199 COPIES
75 cents each	50 cents each	45 cents each

MAIL COUPON TODAY

The National Underwriter,
175 W. Jackson Blvd., Chicago, Ill.:

Please send me _____ copies of your 1931 "Life Payments Localized Number" when published July 24. I enclose \$_____ in payment.

Name

Street

City State

A LOW COST N^WNL LIFE INSURANCE PROGRAM

Prospect—Age 35
Wife—Age 30
Children—Boy 5
Girl 2

THIS program provides that in event of the death of the insured, the wife will receive the following amounts:

\$3,000	in one sum.
\$220	a month until the son is ready for college.
\$270	a month while one child is in college.
\$320	a month while two children are in college.
\$150	each Christmas until the children are grown.
\$140	a month after the children graduate from college until she is 60 years of age, at which time her son will be 35 and her daughter 32.

\$40 a month thereafter for life.

At her death each child will receive **\$5,000** in cash.

In case the insured should live until the age of 65, he may then cash in his policies for **\$12,111.45**.

(Some of the above items are dependent on the maintenance of the present dividend scale, which cannot be guaranteed.)

THE entire annual premium for this program at age 35 is only \$684.15 a year, in the Northwestern National Life. It is accomplished by the purchase of ten units of Income Indemnity, \$10,000 Home Protector, and a \$5,000 Pension Bond maturing at age 65. The proceeds of the Pension Bond left at interest become payable at the rate of \$50 a month while one child is in college and \$100 a month while two of them are in college.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

LIFE COMPANY CONVENTIONS

Convention Great Success

Massachusetts Mutual Life Agents Association Had a Program of Enlightenment and Instruction

The Massachusetts Mutual held a successful convention of its agents' association at Swampscott, Mass., some 700 attending. It was unusually interesting, being featured not only by addresses by President W. H. Sargeant and G. E. Lackey of Oklahoma City, president National Association of Life Underwriters, but also by several clever sales demonstrations and valuable discussions.

The convention theme was "Building Better Estates Today to Meet the Needs of Tomorrow." J. W. Yates of Detroit, general agent, is president of the association; L. E. Simon, million dollar producer of New York, first vice-president; K. E. Williamson, Peoria, second vice-president, and J. P. Stevens, Portland, Me., secretary-treasurer.

Interesting Talks Made

After the address of welcome by President Sargeant the first morning company officials were introduced and there was the report of Secretary Stevens, who incidentally is the oldest member of the association with 39 years' service. Then Mr. Yates told of the convention objective.

He was followed by Mr. Lackey who spoke on "Life Insurance—The Financial Safeguard of 1931." Mr. Simon talked on "How the Audit Service Can Be used to Obtain Business," and F. J. Little of Detroit on "Why People Buy Life Insurance."

There was a beginners' meeting in the afternoon, presided over by C. R. Smith of Detroit, who staged a demonstration of methods he used in reaching a million a year production in eight years. General Agent L. C. Witten of Cincinnati spoke on "Making Life Insurance a Life Work;" H. W. Abbott, Pittsburgh gen-

eral agent, on "How to Use the Illustration Book Successfully," and Mr. Smith on "Thrifty of Time." The latter gave his nationally known sales talk which has been used successfully in thousands of interviews.

Important Topics Treated

After the routine business the next morning Winthrop Winslow, Providence, R. I., talked on "Planning Tomorrow's Success Today;" J. W. Tyson, Memphis, on "How to Keep a Live Prospect File;" H. W. Abbott on "Using Company Tools Profitably;" K. F. Comstock, Keane-Patterson general agency New York, on "Financial Management of Self," and A. T. Maclean, second vice-president of the company, on "Conservation and Preservation."

W. H. Hackleman, Indianapolis general agent, spoke on "Life Insurance as an Investment" the third morning; B. H. Wulfekoetter, C. L. U., Cincinnati, on "Insurance with Income;" Alberta Allen, St. Louis, on "Retirement Annuity;" R. W. Dozier, Oklahoma City, on "How I Use Caleb Smith's Sales Talk;" A. J. Thomas, Davenport, on "886 Weeks Without Weakness," and F. T. McNally, Minneapolis general agent, on "The Average Man." Mr. Thomas has the unusual record of having maintained weekly production for 886 weeks, or over 17 years.

Women Agents Had Meeting

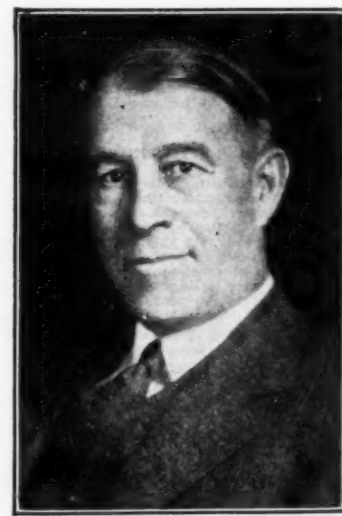
The annual meeting of the Federation of Women Underwriters of the Massachusetts Mutual also was held during the convention. Mrs. Lena Lake Forrest of Detroit, president, presiding. The speakers were Miss Alma Gibson Robb, St. Louis, "Retirement Annuity;" Mrs. Olive J. Wright, Cleveland, "Insurance with Income;" Mrs. Annie F. M. Sherman, Boston, "Endowment Contracts," and Miss Mildred M. King, Detroit, "How to Secure Prospects."

L. E. Simon of New York was elected president of the association for next year.

Big Factors in Iowa Merger



A. C. TUCKER
President Royal Union Life



J. J. SHAMBAUGH
President Des Moines Life & Annuity

Two important factors in the merger of the Royal Union Life and Des Moines Life & Annuity, both of Des Moines, are President A. C. Tucker of the former company, and President J. J. Shambaugh of the latter. Mr. Tucker will be chairman of the board of the combined company and Mr. Shambaugh president. Mr. Tucker started in insurance in the fraternal side selling insurance while he was a clerk in a drug store. He joined the Mutual Protective League which

later became the Standard Life and from that time on became a more important factor in the insurance world. Mr. Shambaugh is a native of Iowa, having been born at Booneville. He is vice-president of the Booneville Savings Bank. He has been a director of the Royal Union Life and hence has been in close touch with the organization. He served as president of the Preferred Risk Life for four years and has been president of the Des Moines Life & Annuity since 1924.

and F. A. Lichtenberg, general agent at Plymouth, secretary-treasurer.

Columbus Mutual Agents in Successful Michigan Rally

The annual convention of Columbus Mutual's Michigan agents was held at in Jackson Saturday, under the direction of G. J. Dobben and A. J. Flint of Jackson.

Following the registration a trip was made through Michigan's new \$12,000,000 prison. The program for the afternoon was as follows:

Elmer A. Newark, chairman; "Greetings," Myron Hawkins of Charlotte (Michigan's first Columbus Mutual agent); "The Columbus Mutual for Me," Paul Heinsohn, Pontiac; "Banks and Life Insurance," Arthur J. Flint, Jackson; "Teachers Retirement Annuity," Burnus Page, Tekonsha; "The Change of Age Card," Richard Dobben, Fremont; "A Widow's Investments," Glenn McCarty, Grand Rapids; "Income Insurance Presentation," Charles Durand, Pontiac; "Participating vs. Non-Par," Birney E. Ludwig, Lansing; "Twenty Pay Life" (A ledger presentation), Gail Jewell, Muskegon, and "The Outlook," Edgar E. Daugherty.

An outstanding address was given by J. E. Walker of Lansing, state manager for the Guaranty Life on "Fundamentals for Success in Life Underwriting." He stressed the necessity of going forward or dying. He said that one never stands still. He urged the necessity of being the man heaven expected one to be. He said it is being demonstrated daily that one must carry his religion into his business, in fact he should make his religion his business. He outlined the necessity of taking care of health and live up to the rules of conduct. He pointed out the necessity of finding one's place, the right company and the right organization for one's self. A life insurance agent must think in life values and be ready to fight for the highest attainable place.

Canada Life Club Conventions

TORONTO, June 25.—Joint conventions of the Canada Life Quarter Million and Century Club were held here last week. James Elton Bragg urged the field men to adopt a definite plan of work and stick to it. A. N. Mitchell, general manager; A. G. Ramsay, assistant general manager, and other head office officials spoke. About 400 were present, including 90 from United States, four from Hawaii, and three from the British isles. D. M. Brigham of Minneapolis, president of the senior production club, presided.

Life & Casualty Convention

The Life & Casualty will hold its 1932 convention at the home office in Nashville Feb. 11-12. Qualification is based on the records for the last six months of 1931.

Franklin Life Convention

The Franklin Life's \$100,000 Club will hold its annual convention in the home office at Springfield, Ill., July 13-15. About 100 agents from 19 states are expected to attend.

Adams Resigns Position

KANSAS CITY, MO., June 25.—L. Adams, chairman of the board of the Sentinel Life, has resigned. He became president when Arthur M. Hyde, its first president, accepted President Hoover's cabinet position. He has not announced his plans for the future. Frank Harvey was elected president and Mr. Adams chairman of the board. The latter office has not been filled since Mr. Adams' resignation, and it is likely, that it won't be. Just previous to his coming with the Sentinel, Mr. Adams completed 25 years of service with the Metropolitan Life.

AS SEEN FROM NEW YORK

EISENDRATH GOES TO EUROPE

Julius Eisendrath, manager of the Fifth avenue branch of the J. C. McNamara agency of the Guardian Life of New York, will sail June 26 with his family for Europe on the Nieuw Amsterdam. Mr. Eisendrath will be gone about five weeks, during which time he will visit his mother in Amsterdam and tour France and Holland with his family. The latter will remain in Europe until September.

CANCER MORTALITY INCREASES

F. L. Hoffman, consulting statistician, in writing in the "Spectator" declares that the menace of cancer at the present time presents a more hideous problem than ever during the recorded history of the disease. The death rate has increased until last year it was the highest on record. He said the present situation is little less than startling. The annual mortality in this country he puts at 125,000 deaths at an average age of about 59 or 60 years. He takes 50 American cities with aggregate population of 30,000,000 and shows that the

death rate has increased from 71.6 per 100,000 in 1906 to 122.3 in 1930. Of the five largest cities the highest cancer death rate last year was in Los Angeles, 136.1. Next came Philadelphia. Detroit was the lowest of the five largest cities, it being 72.3.

McMILLEN TO GIVE DINNER

Clifford L. McMillen, recently named as a general agent for the Northwestern Mutual Life in New York metropolitan territory, will be host June 29 at a dinner for the members of the Association of Agents of the Northwestern Mutual Life in the New York City territory, with John I. D. Bristol as guest of honor. Mr. Bristol, who recently terminated his contract as general agent for the Northwestern in New York City, a position which he had held for 28 years, will be the principal speaker at this dinner.

TO START NEW AGENCY

O. L. Lane of the Lane agency of the Home Life will on July 1 sever his

connection with that agency and company and become a general agent of the Connecticut Mutual Life in New York City. The Lane agency will be operated by Louis Lane and F. L. Lane. In making the announcement of the change, M. L. Lane and the Lane agency state that "while there will be no business connection between the two agencies, they will naturally retain the very close bond that has resulted from the relationship and the past association together. The offices of both agencies will be located in the same building in which the Lane agency is now located, at 212 Fifth avenue."

Farber Sells Interests

OMAHA, June 25.—J. A. Farber, executive vice-president and secretary of the Union Pacific Assurance of Omaha, has sold his interests to President H. A. Wolf, and has withdrawn as an officer and director.

Mr. Farber will devote his entire time in developing the Fidelity Old Line, a legal reserve stock company, and in supervising the affairs of the Atlas Accident & Health, of which he is president. Both offices will be in the Saunders-Kennedy building. Mr. Wolf and Mr. Farber have been associated in the life insurance business for 22 years.



The June Horoscope

The Pearl is the June birth stone.

November is the fortunate month for June people, and blue is the lucky color.

Famous persons born in June were Rembrandt, Jefferson Davis, Rousseau, Nathan Hale, Rubens, Harriet Beecher Stowe and C. T. Yerkes, the millionaire.

To men born in June will come great wealth provided they follow congenial employment.

But June people are inclined to wanderlust and restlessness and are vacillating.

If you are a life insurance salesman and like the work but are not now under contract, you should immediately join the Royal Union, settle down and cultivate a restful spirit. You can make big money with us.



Royal Union Life Insurance Company

Des Moines, Iowa

A. C. Tucker, President

Organized Visual Selling Kit

The enormous advantages of Organized Presentations and of Visual Selling Material are no longer questioned.

The Visual Selling Kit used by field men of the Federal Reserve Life contains, among other material, complete organized visual sales presentations for: (1) Clean-Up Fund; (2) Family Income; (3) Educational Provision; and (4) Retirement Income.

The proper use of such material is explained thoroughly at the REGIONAL AGENCY MEETINGS, regularly scheduled at strategic points in Ohio, Michigan, Indiana and Illinois.

THE
FEDERAL RESERVE LIFE
INSURANCE COMPANY
KANSAS CITY, KANSAS

Mr. Frank M. Hayes, Vice President—Agency Director
Federal Reserve Life Insurance Co., Kansas City, Kans.
Sir: I am interested in joining a progressive Agency
Organization and will appreciate further information
about your Organized Visual Selling Kit, Regional
Agency Meetings and other modern Agency plans.

Sincerely,

Name

Address

NEWS OF THE COMPANIES

Two Companies Are Merged

Home Assurance and Economy Life
Both of Indianapolis Are
Joining Their Fortunes

The business of the Home Assurance, industrial life, and the Economy Life, industrial accident and health, both of Indianapolis, and operating under the assessment laws, has been merged and, for the present, business will be transacted under the name of the Home Assurance, though the charter of the Economy will be kept alive. The Home has been operating 33 years and the Economy, five. Ordinary and industrial life, health and accident insurance is being written, the industrial department being opened on Tuesday of this week, with 15 agents. It is planned to expand and before the end of the year Ohio and Missouri will probably be entered. W. O. Nicholson, who was president of the Home, will continue as president of both companies. The other active officers, who were identified with the Economy, are: Vice-president, J. W. Pringle; treasurer, J. G. Wiggam, and, secretary, L. A. Miller. At one time the Home Assurance wrote industrial life for Negroes as well as whites, but the Negro business was reinsured in the American Bankers of Illinois, last February.

Midland Mutual's Year

Manager of Agencies J. A. Hawkins of the Midland Mutual Life of Columbus finds that its June business is running 28 percent ahead of June last year. Its May business showed a gain of 15 percent. The first four months found the company \$1,000,000 behind. However, the turn seems to have been made and there is a stiff fight being made for business.

Report Made on Home Life

New York Department Gives Company
Credit for Progress Made in
Recent Years

The strong financial position of the Home Life is brought out in the report of the regular periodic examination of the New York department. The report concludes with a summary which says in part:

"There has been a substantial gain in insurance in force during the four years, the total business in force passing the \$400,000,000 mark in 1930. A good rate of return on investments has been maintained. The company is in a strong financial position, as shown by a surplus of over \$3,000,000 after providing for ordinary and contingent liabilities."

Commenting on other phases of the business, the report says in connection with legal expense limitations: "The company keeps well within the margins allowed under Section 97 of the insurance law." It is shown that there has been a considerable margin each year and that in 1930, under application of the new provisions of Section 97, this margin was even larger. In 1930 there was a margin under the limit allowed of 8 percent of first year expenses and over 15 percent of total expenses.

Trend Toward Mortgage Loans

The report brings out the fact that the trend in recent years in the Home Life has been toward mortgage loans, chiefly guaranteed, the holdings in this field having nearly doubled in five years. The average interest rate earned on all mortgage loans in 1930 was 5.71 percent. There was only one foreclosure in the four years under examination, that being on an apartment house valued at \$24,000, with a mortgage of \$12,000. This is the only property owned by the company, other than the home office building, and there is only one

Lincoln Liberty Leaders



IRA CROOK
President



JOSEPH ALBIN, Secretary-General
Manager

The Lincoln Liberty Life of Lincoln, Neb., now housed in its new office in the Stuart building, is receiving felicitations on the appearance of its new quarters. Ira Crook, the president, is a native of Nebraska, having been reared on a farm in Richardson county. He went to the Peru normal school and later studied law at the University of Nebraska. He entered the life insurance field in 1911, building up a successful agency in southeastern Nebraska. He operated this until 1919, at which time he and Joseph Albin organized the Lin-

coln Liberty. He served as vice-president until elected president this year. Mr. Albin is a native of New York City and went to Nebraska in 1892. He graduated from the Peru normal school in 1910, then studied law at the University of Nebraska. He entered life insurance as an insurance salesman, joining Mr. Crook in the latter's agency in 1913. In 1915, Mr. Albin was made state agent for Kansas. When the Lincoln Liberty was organized he became secretary and in the present year was also made general manager.

mortgage, a loan of \$4,000, in process of foreclosure. The overdue interest of \$51.35 on this loan was the only overdue interest item.

New Policy Is Introduced

The report runs through its history since 1926, with a background of previous development. It cites as one of the high spots the introduction of the preferred whole life plan in November, 1927, the introduction of which "marked an important change in the business policy of the company." It is pointed out that during the past three years the efforts of the management have been directed toward the development of a field organization capable of reaching prospects to whom this type of insurance will appeal, and sales work has been concentrated on the production of business on this plan and that well over 50 percent of the company's business has been written on the preferred whole life plan, and the average size policy has been more than doubled.

It is pointed out that the vested renewal plan for general agents and agents has been installed and an examination of contracts found them substantially on a uniform basis. The report states that the new contracts appear more liberal in several respects.

Bankers National June Plan

JERSEY CITY, June 25.—The Bankers National Life has set aside June as a special policyholders' service month. Under certain conditions old policyholders who have been examined within the past year are given the privilege of submitting non-medical applications up to \$5,000. In making the announcement the company has impressed upon its men the extreme importance of keeping in close contact with old policyholders whether they are eligible under this non-medical offer or not.

Bowles Has Security Report

George A. Bowles, Virginia commissioner, has a copy of the report of the Security Life of Chicago embodying findings of the committee of the National Convention of Insurance Commissioners, but he says that it may be several weeks before it is released. The state corporation commission which has supervision over the insurance department must first scrutinize it. Also some changes may possibly be made in it before it is finally given out. Commissioner Bowles returned recently from a meeting of the commissioners in Chicago and it is understood that the report was delivered to him soon after that meeting. The Security Life is a Virginia corporation. Consequently, it is subject to the laws of that state and comes under direct control of the corporation commission. Commissioner Bowles has so far given no intimation as to the contents of the report.

Edwards in Charge

Vice-president J. H. Edwards of the Security Life of Chicago and the Northern States of Hammond, Ind., temporarily is taking charge of the Security's agency department, following the unexpected death this week of Vice-president S. W. Goss, who had been the Security's agency man for many years. Mr. Edwards is an experienced agency executive, having been active in building the Kansas Life, becoming its superintendent of agencies, then vice-president, and finally president.

Arrange Reinsurance Deal

KANSAS CITY, MO., June 25.—Policyholders in the Interstate Protective Association and the Beacon Life Association of America, defunct, will be reinsured by the Missouri Mutual of Springfield, Mo. The deal was arranged by the Missouri department.

Equitable Changes Made

F. J. Patten, branch manager at Minneapolis for the Klingman agency of the Equitable of New York, has been

transferred to Marshall, Minn., as district manager with nine counties under his jurisdiction. C. A. Carlson of the Minneapolis branch has been made manager there. Fred A. Brunner, who has been district manager at Marshall, will be transferred to a larger field, probably Columbus, O.

Stines Branch Manager

E. Z. Stines has been appointed manager of the Asheville, N. C. branch of the Jefferson Standard Life. He succeeds J. H. Gantt, who has been manager since July, 1926, and who recently was transferred to Atlanta as manager there. Mr. Stines, since entering the insurance field in September, 1926 with the Asheville office of the Jefferson Standard, has been active in the work in this district. For the past two years he has been a supervisor of the local office. The Asheville branch supervises 22 counties in western North Carolina.

Celebrate Chief's Birthday

Agents under Alexander E. Patterson, Chicago, general agent Penn Mutual, got busy June 22 in celebration of their chief's 44th birthday Tuesday. In the two days, 28 men and women wrote 36 applications for \$241,000, much of it prepaid.

New Supervisor



ROBERT H. SMITH

Vice-President Woodward of the Life Insurance Company of Virginia feels that he has secured an excellent man as agency supervisor in R. H. Smith, who is well known in the southern life insurance field, having been in the busi-

ness since 1910, operating in Texas, Arkansas, Mississippi, Tennessee, Alabama and Kentucky. He will make his headquarters at the head office.

Freeddy of Wisconsin Named for New Post

M. A. Freeddy, who retires as Wisconsin insurance commissioner July 1, has been appointed general agent of the Alliance Fire of Philadelphia for Wisconsin, with headquarters at Madison.

Mr. Freeddy was appointed Wisconsin commissioner Jan. 11, 1927. Prior to that for more than 20 years he traveled for the Phoenix of Hartford and Equitable F. & M. in Wisconsin as special agent. He was born in Racine county, Wis., in 1876. For over 12 years he was in the C. F. Hibbard agency in Milwaukee and for two years was with the western department of the Royal in Chicago. He became one of the outstanding insurance commissioners of the country.

"Life Insurance," by Joseph B. Maclean, assistant actuary of the Mutual Life of New York, is a non-technical explanation of the principles and practices of life insurance. It is sold by The National Underwriter at \$4.

LIFE AGENTS

SINCE the inception of Life Insurance members of your profession have been instrumental in insuring the success of their clients. Often times to the extent that they have forgotten that they too would some day have to measure their own success. Analyze your case. Are you satisfied that you are successful or that you are becoming so? If not, write us immediately in order that we may show *you* how we can insure your success, at the same time insuring the success of your clientele.

Address your communications to

The Minnesota Mutual Life Insurance Company
St. Paul Minnesota





OFTEN the difference between a good and bad golf game can be summed up in the word "putting." Splendid, long straight drives count for naught if the golfer is unable to follow up his drive advantage with accurate putting.

Often the difference between a successful life underwriter and one who is not can be summed up in the word "training." Contacts and personality are valuable assets, but must be fortified by sound training. All our agents work under that popular plan of "Commonwealth Cordial Co-operation" which assures an agent of thorough training not only in all the distinctive features of the Commonwealth Life organization and its policies and services, but also in the fundamentals of life insurance. That this training pays is reflected in the satisfaction of our policyholders and the loyalty of our agents.

Our agents find it great to work under our productive "Commonwealth Cordial Co-operation" plan. You'll also like it.

I. Smith Homans, Vice-President

**COMMONWEALTH
LIFE INSURANCE CO.**
LOUISVILLE, KENTUCKY

AGENCY MANAGEMENT

Perrin Suggests Improvements In Agency Management System

This following paper was presented at the annual meeting of the American Institute of Actuaries in Minneapolis by O. W. Perrin, associate actuary Penn Mutual.

The advantages and disadvantages of the general agency system as against the branch office system are distinctly relative, depending upon the general conditions under which the systems must operate. The advantages of each system are counterbalanced by disadvantages so that, in the aggregate and in the long run, the cost of the two systems should not differ materially. In consultation with our agency department I endeavored to work out a definite comparison of costs, but it seemed necessary to build up certain assumptions which have no adequate supporting framework of experience and which, moreover, depend for their realization upon other factors not directly related to the systems themselves. Proceeding upon the premise, therefore, that in the aggregate and in the long run the cost of the two systems should not differ materially, my remarks deal with the incidence of agency costs under the two systems. I shall also endeavor to mention some general changes or trends which seem to be in process of development.

As to the compensation of the general agent, he is paid his company's maximum rates of commission plus (in many companies) an allowance for the overhead expenses of his office, his profit being derived from the excess of his commissions over his office expenses and the commissions paid his sub-agents. I might mention as bearing indirectly on the question of costs that there are other incidental sources of profit to the general agent such as commissions on his personal business, commissions forfeited by his subagents and savings he may make from collection fees after renewal commissions have ceased.

Principal Features of Branch Office System

The branch office manager, on the other hand, is paid a salary which is based primarily on the volume of new business produced from his territory but which also takes into account the persistence of old business, the number of new agents and the new business produced by them. Like the general agent, the manager is also entitled to commissions on any business that he may personally write. The company itself pays, of course, the branch office expenses. Under both agency systems the compensation to subagents is about the same so that this feature, being common to both, does not require further discussion.

These facts are well known and I mention them simply as an introduction to the statement, which may be made without argument, that the cost under the general agency system is less than under the branch office system in the first policy year because the company pays the branch office managers' salaries and expenses as well as first year commissions, but the cost is greater in subsequent years largely because the rate of renewal commissions is 50 percent greater. In this connection I should perhaps explain that these remarks relate to the expense standards of the New York law, to general agents operating on a strictly commission basis and to salaried managers who do not employ any of their own capital.

The general agent starts out, as a

rule, with little or no profit and takes the financial risk of building the agency. The aggregate costs for a company operating with that system, therefore, are lower in the earlier years than under the branch office system, but whether the costs would continue to be lower is, to say the least, a controversial question. The amount of commissions which the general agent receives when the general agency becomes a large one may almost appear to be scandalous if paid out to a branch office manager as a salary, but this is in some measure compensation to the general agent for the hazard in the earlier years of investing his own capital.

The expense factors for agencies which have been so fully developed by the Life Insurance Sales Research Bureau apply mostly, I understand, to general agencies rather than branch offices and the Penn Mutual is endeavoring to arouse the interest and cooperation of our general agencies in such cost analyses by emphasizing their usefulness to the general agent in spending his own money wisely and thereby increasing his own profits. Where the general agent, however, is primarily a good salesman rather than a good business man, it is difficult to make satisfactory progress along these lines. The branch office company has the advantage under such circumstances, as the branch office expenses are under its direct control. To ascertain whether any branch office is being properly run, it is usually the practice of a company operating on that system to compare individual expense items within the branch office or between branch offices instead of calculating expense ratios and, so far as comparative expense ratios of branch offices with general agencies are concerned, such ratios, to the best of my knowledge, are not yet available.

Company Lacks Control Over General Agencies

No doubt the company's lack of control over the agencies' office expenses is a disadvantage of the general agency system; in fact, there is a general lack of authority and supervision inherent in the system covering subagents as well as expenses, the subagent's contract, although subject to the approval of the home office, being made direct with the general agent.

As a matter of general interest in this connection, I might refer to a cost analysis of several general agencies of the Penn Mutual made some two years ago. This showed a surprising variation in the cost ratios of one general agency as compared with another, this variation being accounted for, to a large degree, by lack of definite information on the part of the general agent as to how he was actually distributing his costs. The results of the investigation were reviewed for the purpose of ascertaining whether they threw any light on the relation of the size of the general agency to the problem of costs and, so far as we were able to draw any inferences, it appeared that the most efficient general agencies were in a middle group having from about six thousand to twelve thousand policies of old business. For both the smaller and the larger agencies the expenses seemed slightly higher. However, the most important factor in determining agency costs is not the age or size of the agency but the quality of its management and we cannot approach the subject from a

statistical point of view without keeping the factor of management in mind.

It may also be interesting to you, as being related to the incidence of agency costs, to mention that the general agency contract of the Penn Mutual, which formerly provided for collection fee deductions from renewal commissions upon termination of the contract, has now been amended to eliminate such deductions under certain prescribed conditions as to agency building and new business production. These conditions require fixed yearly percentage increases in new business over and above any similar percentage decreases in new business, the waiver of collection fee deduction finally becoming completely operative when a minimum annual paid-for new business of five million dollars is reached and maintained. The response of our general agents to this amendment indicates that it will exert a very constructive influence. The objection no doubt occurs to you in this connection that under general agency contracts providing for no deductions there is the expense incident to transferring or taking over such agencies upon termination by death or otherwise. To obtain the clientele of a well-established general agency, however, including the good will that should accompany it, is usually found to be a sufficient inducement to the incoming general agent to forego the collection fees.

The further development of territory of the general agency in the event of such a transfer means, of course, additional capital outlay on the part of the new general agent, but this is a feature of any recently organized general agency. It may be a disadvantage where the company's program of agency growth requires as much speed as may be consistent with safety and thoroughness, but here we face a question of home office administration under the conditions imposed by the general agency system.

Tendency to Convert Into Branch Office

The question under discussion assumes that the general agency system is operated on a strictly commission basis. There is more and more a tendency, however, for companies to start the general agent off on the branch office plan and later on, when it has grown to a profitable size, to convert the branch office into a general agency. The general agency system when operated in this way takes something of the early financial risk of the branch office system and, having done so while the agency was unprofitable, may lose some of the economies of the branch office system in future years. On the other hand, it overcomes the very real difficulty of the branch office system in holding superior men because branch office managers inevitably contrast their earnings with those of general agents operating agencies of similar size.

Some of the proponents of the general agency system maintain that it is possible to secure a better type of leadership permanently on the general agency basis than on the branch office basis of compensation and that this superior leadership will reflect back on other factors such as types of agents, persistence, mortality experience, etc. In other words, the higher costs of the general agency system, if any, are offset by the savings that should result from a higher grade of leadership. The general agency system is purely an American institution and, as such, expresses the American emphasis on individual initiative.

Perfect System Has Not Been Developed

At the beginning of my discussion I mentioned one point on which we might all agree—that the subject is a formidable one. Another such point now occurs to me, namely, the perfect system has not yet been worked out. If I may indulge in a mild form of prophesy, I might add that the perfect system, which, of course, will always remain a

relative term, will probably be a blend of the two, combining the advantages and, let us hope, excluding the disadvantages. This may mean that the branch office system will insert a clause in its contracts providing for the contingency of its managers facing age 60 or 65 without a pension program or a convertible feature enabling its branch office managers to change over to the general agency system upon attaining a certain point of development and that the general agency system will compensate its general agents on some modified commission basis whereby they will be provided with the necessary current funds on which to operate. Perhaps the so-called perfect system will also include a new contract for subagents recognizing sustained production and length of service to a greater degree than at present and also passing along some of the income possibilities of the general agent or branch office manager to the men who really produce and conserve the business.

It is the practice of the actuary's department of the Penn Mutual to calculate and furnish to each general agent both the company's lapses and his lapses on policies with one year or less premiums paid expressed as a percentage of the previous year's paid-for new business, also the company's total lapses and

surrenders and his total lapses and total surrenders taken as percentages of the paid-for insurance outstanding as of December 31 of the previous year. This is done regularly at the end of the first six months of each year and at the end of the full year and the general agent is asked for an explanation of any unfavorable showing. The practice is now being supplemented by the calculation of similar first year lapse ratios for subagents, particularly on general agencies needing a detailed analysis. The conservation division of the agency department confers with the general agent over the results of the analysis for the purpose of ascertaining what subagents are responsible for any unfavorable features. In this connection the volume and character of the subagent's business are carefully reviewed, such points being emphasized as the proportion of policies for large or small amounts, the proportion with premiums payable annually, semi-annually or quarterly, the number of prepaid policies and the number with premiums settled by temporary note. In short, no effort is spared to uncover the difficulties of the individual agent, thereby leading to suggestions for improving his persistency record.

We are not indulging in any prophecies as to the degree of success of the plan. Our experience is too brief and

it is operating under abnormally adverse business conditions. However, we have reason to feel confident that it will have a materially favorable effect on the company's lapse experience and, what is even more fundamentally important, on the general agent's care in the selection of underwriters and his thoroughness in their training and supervision. Supplementing as it does the efforts of the agency department to educate our subagents along lines of prospecting for quality rather than quantity, selling to meet the individual's needs, making clear-cut sales presentations and keeping actively in touch with the policyholder, the goal should ultimately be realized of building for each general agency a soundly established clientele.

Canadian Agency Officers Meet

At the annual meeting of the Canadian Association of Life Agency Officers at Niagara Falls, Ont., the following officers were elected: Chairman, R. G. McDonald, Canada Life; honorary secretary-treasurer, J. L. Routly, Monarch Life; executive committee, E. N. Blackie, London Life; R. C. MacKnight, Northern Life; H. E. North, Metropolitan Life; E. C. Armstrong, Ontario Equitable; C. A. Butler, Great West Life; J. O. Galloway, Imperial Life, was reelected secretary-treasurer.

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CHICAGO ILLINOIS

Research Bureau Gives Study of Cost of Agency Operations

The Life Insurance Sales Research Bureau has released to its members a comprehensive report, presenting the results of its study of agency costs up to now, and outlining some principles of agency management which were developed by the study of this subject.

The purpose of these studies by L. S. Morrison of the staff has been to obtain actual field data on (1) the cost of agency operation and (2) value of business to general agent. Figures used as the basis of the studies were obtained by actual visits to 50 agencies, 25 are urban and rural, and six are rural. In size as expressed in production they vary from \$1,700,000,000 to \$50,000,000.

Determined Average Figures

Although the Research Bureau has no definite idea of what a nationwide average would be, it has determined average figures based on these agencies, and for the convenience of the report has set up "average agency," using the average figures—or more precisely the median of these 50 agencies.

The principles of agency costs are applicable equally to both general agent and branch manager. Those which underlie profit are perhaps of less interest to the branch manager than to the general agent, although a manager who does not observe them cannot hope to build an agency upon which the company will look with favor. According to the Research Bureau, certain principles, although not new, have been developed in this study.

Volume Is Not Panacea

They are, however, understood and practiced by a minority of managers and general agents. It has long been believed that increased volume was the panacea for agency ills, but the report of the bureau proves this idea to be a fal-

lacy. Too often volume is attained at a cost which makes profit impossible, and where achieved without quality, it may make a bad situation worse. On the other hand, to stress quality at the expense of adequate volume is to neglect the possibilities of the situation and the obligation to clientele and home office. It is the conclusion of the bureau that a successful manager or general agent must consider carefully the production of new business on the basis of volume, quality and cost.

Develops Main Cost Principles

To assist in the solution of this problem, the bureau has developed the following principles which determine cost in operating an agency:

1. The cost of handling old business. The amount which will be spent to handle old business is very largely determined at the time the business is written and thereafter comparatively little can be done to change it. Consequently if the manager accepts improperly written business, he assumes a liability which will burden the agency for years thereafter.

2. The clerical cost of handling new business. For a given volume, when this cost is related to insurance or to premiums, it will vary with the size of the policy. When the policy is too small, practically the entire first year income is absorbed by clerical cost, with little or no margin remaining to cover the cost of selling.

3. The cost of selling new business. In a given agency and for a given standard of service, sales cost will be determined by: a. Persistency of organization; b. production per agent.

Principles That Determine Profit

The bureau, through this study of agency costs, has also been able to develop principles which determine profit. As profit is the difference between gross income and expense, it can be increased

by increasing gross income or decreasing expense or both. Greater volume does not necessarily mean greater profit because in the attainment of that volume, expense may increase faster than income. Total profit, according to the bureau, should be regarded as the profit per unit times the number of units sold.

The problem of the general agent or manager is:

1. To increase the number of units sold without decreasing the profit per unit.

2. To increase the unit profit without decreasing the number of units sold.

Cost and Value Relationship

The report of the bureau discusses only the second of these two alternatives—how the profit from a given unit of business can be increased:

1. Gross income can be increased: (a) By writing a larger average premium per thousand; (b) by maintaining a better persistency.

2. Expense can be decreased: (a) By increasing production without increasing first-year expense in proportion; (b) by reducing the cost per collection; (c) by reducing the number of semi-annual, quarterly or monthly premiums; (d) by writing a larger average size policy.

Financial success, it is the conclusion of the bureau, will depend principally upon whether or not the manager can keep cost and value in the proper relation. When he secures new business, what he does in effect is to buy a single premium annuity. The cost is the net first-year investment—the return is the net value of the renewal income which may reasonably be expected. The man who buys an annuity at a fair price has a good thing—the man who pays too much has made a poor investment.

Wilkinson Lloyds Life Director

Rees Wilkinson, president of the National Old Line Life of Lincoln, Neb., has been elected a director of the Lloyds Life of Kansas City. Adam Reid is president of the Kansas City company.

Mortensen Is Appointed Wisconsin Commissioner

MADISON, WIS., June 25.—Harry J. Mortensen of New Lisbon has been appointed insurance commissioner by Governor La Follette. His only experience in insurance work has been in investigations by the Wisconsin legislature. Mr. Mortensen was a member of the legislative committee which made insurance investigations a few years ago. Prompt confirmation by the senate is expected, and he will take up his duties July 1. He succeeds M. A. Freedy, who has been commissioner for four years.

Has Distinguished Record

Mr. Mortensen has for many years been closely identified with H. L. Ekern, former insurance commissioner and attorney general of Wisconsin. He is 54 years old and a native of Wisconsin. After graduation from the Stevens Point normal in 1898 he was principal of the Cadott high school for two years and then took up the study of law at the University of Wisconsin, graduating with the law class of 1902. He was city attorney of New Lisbon for four terms, district attorney of Juneau county for three terms and was elected to the legislature in 1908. Since then he has been engaged in the practice of law and banking at New Lisbon.

"Insurance Almanac" Issued

The "Weekly Underwriter," 80 Maiden Lane, New York, has issued the 1931 edition of the "Insurance Almanac" which is one of the most valuable insurance reference books that is published. It covers the field completely, giving all manner of desirable information that insurance people need from day to day. This book is on the desk of thousands of insurance people the country over.



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In the life insurance field the Midland Mutual has a reputation for integrity and fair dealing. Nothing is ever promised that can not be fulfilled. The Midland plan of management and selling is conservative but progressive. It gives an agent unlimited cooperation and helps him build a successful business.

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Columbus - Ohio

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Assets, \$20,000,000
Insurance in Force, \$112,000,000

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FOR the year 1930 the Bankers Life of Nebraska's lapse and surrender to mean insurance was 5.31%. This is unusually low considering the era of depression.

This low lapse ratio should indicate to the man who is looking for an agency connection that Bankers Life policyholders are satisfied policyholders — that the Bankers Life agency force is well trained and that the Bankers Life has an efficient Home Office Conservation Department to supplement the work of the man in the field.

After all the lapse ratio is a pretty good index of the standing of the company as a whole. It shows that the plan of the Company in training new agents in our Home Office School, in providing aggressive Home Office co-operation and in giving our general agents generous territory is a successful one.

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A. B. Olson, Manager of Agencies

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Home Office - Lincoln, Nebraska

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LIFE INSURANCE EDITION

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Back of the Railroad Appeal

LIFE insurance companies are particularly interested in the petition of the railroads for 15 percent in advance in freight rates. There is no single line of business that is so vitally concerned with railway prosperity as life companies as they have invested heavily in railroad securities. Back of life insurance companies are their investments. These assets must be unquestionable. Life insurance has stood impregnable. It has been able to sustain its high position of security because of the character of the securities behind the policies in which the legal reserve is invested. The railways are undoubtedly faced with a serious emergency. Their stocks and bonds will depreciate unless the sinews of war are forthcoming.

Railway officials declare that with this advance in rates they can safely pass through the crisis. The "Railway Age" in commenting on this troublesome situation says:

"The national foreign trade convention recently issued a statement to the public in which it said, 'The chief factor of the present situation is profitless merchandising. An essential necessity of the present situation is an advance in commodity prices.' Profitless railroading is as bad for general business as profitless merchandising. An advance in freight rates that will stop profitless railroading is as essential to the revival of prosperity as an advance in commod-

ity prices that will stop profitless merchandising.

"It is true that the railways are subject to competition which may make it impracticable for them to maintain higher rates on a large amount of traffic. On the principle of 'charging what the traffic will bear' railway rates, under present conditions, would be made lower for longer than for shorter hauls to meet competition via the Panama canal; and would be made relatively higher than at present on cheap and bulky commodities as compared with more valuable commodities, and also relatively higher for long hauls than for short hauls, in order to meet motor truck competition.

"Will the INTERSTATE COMMERCE COMMISSION make, or authorize the railways to make, such revolutionary changes in present policies of rate making? The conditions that are causing them to be needed have been created by the government policies of subsidizing other means of transportation and not regulating their rates as those of the railways are regulated.

"The country still needs its railways and can support them," said the INTERSTATE COMMERCE COMMISSION in its last annual report. "It can support them only by letting them charge rates on the traffic they actually handle that will provide adequate earnings, or by subsidizing them, as it does other carriers."

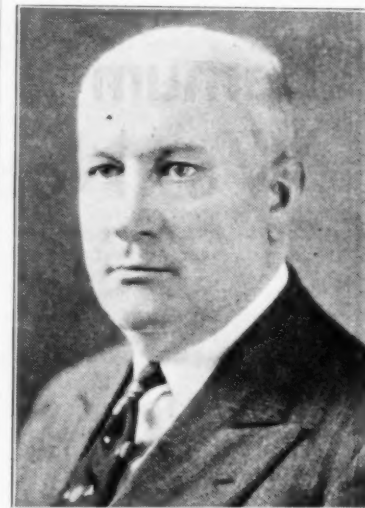
Insurance Made the Target

IN THE constant search of states and municipalities to discover additional sources of revenue with which to meet ever growing public expenditures, the institution of insurance with its vast aggregation of accumulated funds, offers a shining mark. Company officials are constantly on the alert to ward off attacks in such direction; with though be it said, indifferent success. There is be-

fore the Alabama legislature at the present time three measures, all proposing an increase in the taxation of insurance premiums. One of the bills would sanction municipalities with populations ranging from 68,000 to 200,000 each, to levy a tax up to 6 percent, upon the net premiums collected within their respective centers. Birmingham now imposes a 4 percent tax of this character.

PERSONAL SIDE OF BUSINESS

Back Again



JOHN E. SULLIVAN

The directors of the Los Angeles Chamber of Commerce have expressed their appreciation of the services of **George I. Cochran**, president Pacific Mutual Life and a former director of the chamber, who on June 29 will complete his 25th year as the president of the Pacific Mutual Life. The chamber extended its congratulations not only to Mr. Cochran for the splendid progress which the company has made during his incumbency, but to the Pacific Mutual and to the citizens of Los Angeles and southern California at large, stating that Mr. Cochran's contributions to the fabric of the business structure have been many and substantial; that he has proved his leadership through the many trying years of development and expansion of his organization.

A unique method of creating goodwill among policyholders has been devised by **W. R. Spinney**, general agent in San Francisco for the State Mutual Life who for several months has operated a free employment bureau for his policyholders who are out of work. He says that so far his office has been able to place several men in lucrative positions, and that his experiment is already beginning to create good will.

It is announced that Fourth Vice-President **J. V. Barry** of the Metropolitan Life will retire from active service at the end of the year, as at that time he will have reached the retirement age set by the company. Mr. Barry is one of the best known insurance people in the country, not only in the life field but in all classes of underwriting. He served as Michigan insurance commissioner for full five terms. He had been a newspaper man and was a member of an insurance agency at Lansing. He served as president of the National Convention of Insurance Commissioners in 1906. Mr. Barry was born in Monroe, Mich., and in his numerous talks he weaves many a story about his native heath. Mr. Barry as toastmaster and speaker has a nation-wide reputation in insurance.

His work with the Metropolitan Life has been that of contact man with the insurance departments, legislatures, insurance organizations of all kinds. In other words, he has dealt largely with the public relations side of insurance.

Ernest W. Owen, manager of the Sun Life at Detroit, leaves for Europe on the "Empress of Britain," sailing from Quebec June 27, for six weeks. The Detroit agency gave Mr. Owen a "bon voyage" dinner and, incidentally, celebrated the best June business in the history of the division, paying for nearly \$1,500,000, and also closing the club year with a total of over \$14,000,000. It put on record one of the greatest years in the history of the Detroit organization.

Mr. Owen was one of the first insurance men to enlist in the United States forces during the World War, spending 23 months overseas. He is looking forward with pleasure to visiting old scenes and the battlefields of France.

C. B. Coulbourn, actuary of the Virginia department, is the proud father of a son, **C. B. Coulbourn, Jr.** The youngster is a great-nephew of Col. Joseph Button, former Virginia commissioner.

S. T. Whatley, Aetna general agent in Chicago, was host at a luncheon in honor of **Percy D. Smith**, manager accident department, Whatley agency, upon completion of 40 years' continuous service with the Aetna. The affair was attended by the staff and several personal friends of Mr. Smith. **Albert E. Mielenz**, Milwaukee general agent of the Aetna, a lifelong friend and former as-

John E. Sullivan has been reappointed New Hampshire insurance commissioner. He held this position and resigned to become bank commissioner last fall. He was insurance commissioner from 1923 up to the time of his appointment as bank commissioner. He will be welcomed back to the state insurance official ranks.

sociate, attended as a special tribute, **Herbert Florer**, agency department, Hartford, attended as official representative. Telegrams were received from President **Morgan B. Brainard**, Vice-president **K. A. Luther**, old friends and associates.

Mr. Whatley was toastmaster and paid tribute to Mr. Smith. There were short talks by Messrs. **Mielenz**, **Florer** and **Harry Anderson**, **Rockwood Company**, Chicago, also an old friend, and **Eliot C. Williams** and **James Ledy** of the Whatley agency, who have been associated closely with Mr. Smith for 20 years.

The staff presented 60 new accident applications, totaling over \$1,500 premiums. Mr. Smith went with the Aetna when he was 14. It is interesting to note that he started in the building formerly at Madison and La Salle, and now 40 years later is at the same location in the One La Salle Street building.

J. P. Hewitt, 67, for 17 years president of the National Life of Des Moines and former judge of the district court, died June 19 after a long illness. Prior to his entering the life insurance business he was a law partner of the late Senator **A. B. Cummins**. Judge Hewitt was a graduate of Simpson college, at Indianola.

Dr. S. S. Huebner hurried back to Philadelphia from the agency convention of the Massachusetts Mutual Life at Swampscott, Mass., to be present at the graduation of his son, **John M. Huebner**, from the University of Pennsylvania. Young Huebner was manager of the Pennsylvania basketball team the past season.

Samuel W. Goss of Chicago, vice-president and head of the agency department of the Security Life of Chicago, died suddenly at the home of his daughter, **Mrs. C. O. Below** of Glencoe, Ill., Sunday morning. Mr. and Mrs. Goss had driven from their home in Evanston to Glencoe to accompany their daughter's family on a picnic. Mr. Goss was seated



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You can, however, paint a word-picture of the bright future for children whose fathers carry adequate amounts of life insurance. In this way an effective barrier is erected against future hardships and humiliation for the children of insured fathers. Selling Guaranteed Cost Life insurance as written by The Travelers makes the painting of the protection picture more potent.

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MORE THAN 370 MILLIONS IN FORCE



"THE FRIENDLY COMPANY"

A business slogan which is more than a business slogan—in reality the very life of the company. Under this slogan the officials of the Peoples Life Insurance Company have so lived the company today has a reputation for friendliness and fair play. This reputation has become so widespread throughout insurance circles you can omit the company's corporate name and designate it by the simple phrase, "The Friendly Company."

Such a reputation has its reward in increasing prestige and popularity. If you are interested in a new connection you will find it pays to be friendly with the

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

INDIANA

on the porch when he suddenly collapsed and died instantly. He was born on a farm near Rochester, Ind., 64 years ago. He graduated from Naperville (Ill.) college and went into the Methodist ministry, having important charges such as South Bend and Crawfordsville. While at Crawfordsville, he had a throat affliction which militated against his speaking and he retired from the ministry, going into life insurance, carrying a rate book for the New York Life. Later on he became supervisor of agents for the American Central Life.

About 20 years ago he became superintendent of agents of the Security Life and later was made vice-president. He was the agency and production man ever since and was highly esteemed by all who came in contact with him. One brother, Ira D. Goss of Chicago, is head of the farm department of the America Fore fire group in the west. Funeral services were held from the First Methodist church at Evanston.

A group of general agents and prominent Milwaukee insurance men presented Clifford L. McMillen, who is leaving the home general agency of the Northwestern Mutual Life to become a general agent for that company in New York metropolitan territory, a handsome eight-day clock.

A gold plate carried the names of A. L. Saltzstein, general agent New England Mutual Life; A. C. Grant, superintendent Prudential; C. J. Kallmeyer, manager Metropolitan Life; G. T. Vermillion, manager Mutual Life of New York; A. J. Butzen, general agent Massachusetts Mutual; B. F. Heald, special agent Provident Mutual; A. E. Mielenz, general agent Aetna Life; R. F. Fry, president Old Line Life; P. H. Kremer, general agent Penn Mutual; S. J. Herzberg, manager Prudential;

E. L. Carson, general agent Equitable of New York, and W. E. Quinn, manager National Life of Vermont.

Because of the many demands on Mr. McMillen's time, these men made their presentation at an informal gathering.

Alfred B. Dawson, consulting actuary of New York City, and a son of Miles M. Dawson, died suddenly in his room at the Hotel Algonquin, where he had made his home for the past eight months. He was 48 years of age and a widower. His younger brother, Blair, is a lawyer. Alfred had been associated with his father in actuarial and accountancy work for close to 20 years, and had a wide acquaintance with life underwriters and state commissioners in all parts of the country.

Vice-President C. P. Carroll of the Kansas City Life celebrated his 54th birthday last week. He has been with the company 27 years.

Arthur R. Harper, auditor of the Ohio State Life, this week celebrated the 20th anniversary of his joining the Ohio State Life staff. Mr. Harper is widely known as a naturalist. He contributes an illustrated feature each week to the Columbus "Dispatch" and also is in demand as a speaker before various educational and civic organizations.

J. N. Russell, who retired last February after 25 years as manager of the home office agency of the Pacific Mutual Life in Los Angeles, was recently presented with a bound book of letters from his agents, written in a farewell month production contest. The binding is hand tooled leather. The agency force also presented Mr. Russell with a platinum pocket watch.

LIFE AGENCY CHANGES

Will Organize New Orleans

H. Oliver Williams Takes Charge of the Detroit Life in Important Southern City

H. Oliver Williams of Cleveland, who has been district manager of the Detroit Life in Ohio, is shifted to New Orleans to organize and manage the New Orleans office. He went with the Detroit Life in 1929 at the head office and then was made Detroit city manager. He graduated from Pennsylvania State University as mechanical engineer and took the post graduate course in Carnegie in metallurgy. He went to New York University, graduating from the life insurance commercial law course. He started his insurance career with the Fidelity Mutual Life and later became instructor of agencies for the Penn Mutual Life at one of its Chicago agencies.

John B. Cox

John B. Cox has become affiliated with the Birmingham, Ala., agency of the John Hancock Mutual with Agency Manager W. I. Pittman. He started his life insurance career 17 years ago as general agent of the Penn Mutual. Then he was made general agent for the Massachusetts Mutual Life and built up a splendid agency. During the last two years he has been agency director for a Birmingham company. He is re-entering the field as a personal producer. He is located at 233 Brown-Marx building.

Life Agency Notes

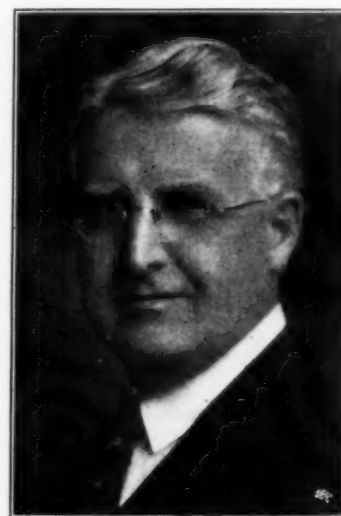
P. L. Higgins of Fargo, N. D., has been appointed district manager of the Central Life of Des Moines.

J. B. Adams, formerly home office agency supervisor of the Atlas Life of Tulsa, has been appointed Atlas southwest Texas manager, with offices at 431 Milam building, San Antonio.

Stamm to Succeed McMillen

Leading Producer of Northwestern Mutual in Milwaukee Will Become Home Office General Agent

Victor M. Stamm of Milwaukee has been appointed general agent of the Northwestern Mutual Life for Milwaukee and Waukesha counties. He suc-



VICTOR M. STAMM

ceeds Clifford L. McMillen, who has been appointed one of the four general agents of the Northwestern in the metropolitan district of New York City.

That agency, which is known as the home office agency, is exceeded in volume of business written each year only by the New York and Chicago agencies, and has the record over all other agen-

cies of the company for volume of business written per capita.

Mr. Stamm has been a resident of Milwaukee since he was a boy. He entered the Milwaukee agency of the Northwestern Mutual Dec. 17, 1920, and has made a remarkable record as one of its outstanding business producers.

R. W. Frank

R. J. Wiese, general agent State Mutual at Chicago, has started an expansion program which contemplates the addition of two new young agents every month, consequent upon his appointment of R. W. Frank, one of the most successful agents in the office, as supervisor. Mr. Frank will take charge of a new unit which has been formed with a nucleus of six recently appointed agents, and his job in the next year is to build a million dollar organization. He has been seven years in the business.

Mr. Frank went to Mr. Wiese from Freeport, Ill., shortly after the Wiese agency was opened, where he had been district manager of the Equitable of Iowa. Mr. Wiese started two years ago from scratch without a dollar of business or an agent, and has placed \$4,000,000 on the books.

Wilson Succeeds Beaty

F. E. Beaty has resigned as manager of the central division of the Occidental Life of Los Angeles and will be succeeded by R. W. Wilson, who is referred to as the dean of Occidental field men, having been with the company 22 years. Mr. Beaty's reason for resigning is his desire to spend more time with his family and his future plans are to remain with the company in another capacity.

Life Agency Notes

The Northern Life has appointed G. H. D. Bryson to be agency manager for the city of Toronto, succeeding William Warren, who will in future devote his time to personal production.

A. W. Brown, for 23 years district manager at Davenport, Ia., for the Mutual Life of New York, with which he has been connected 43 years, will retire July 1, because of failing health.

C. R. Wallace, for three years district agency supervisor, has been appointed general agent for the Mid-Continent Life at San Antonio with offices at 1110 Alamo National Bank building.

Lawrence Fritz has been appointed general agent for the Central States Life for San Antonio. He will work under the direction of J. J. Wortham, Texas agency supervisor, with offices at 810 Travis building.

Made Union Central Manager in Arkansas



J. J. HARRISON

The Union Central Life has appointed James J. Harrison, formerly executive vice-president of the Home Life of Arkansas, as Arkansas agency manager to succeed C. G. Price, who resigned some time ago after a long and honorable career in the Union Central organization. Mr. Harrison will have a territory which will also include two counties of Missouri and four counties of Oklahoma.

Mr. Harrison was for three years a member of the executive committee of the Life Insurance Sales Research Bureau. His sport hobby is football, a game which he has played and coached.

Joined Home Life in 1922

A school teacher after his graduation from Hendrix College, Mr. Harrison enlisted for military service and rose to the rank of major of infantry. He was sales manager of a Little Rock printing company after demobilization until 1922 when he joined the Home Life of Arkansas as agency supervisor. He was advanced to executive vice-president and was in charge of the company during the negotiations which resulted in its sales to the Central States Life of St. Louis.

Mr. Harrison has appointed J. W. Cooper field supervisor. W. L. Snapp will continue in charge of the Fort Smith district.

CENTRAL WESTERN STATES

Illinois Bills Which Passed

Assessment Companies, Burial Insurance Societies Will Be More Strictly Regulated If Governor Signs

Among the bills of interest to life insurance which were passed by the Illinois legislature, which has just adjourned, is one prohibiting assessment life companies from offering stock of life insurance companies in the process of organization as an inducement to become a member of such company.

Another bill brings mutual benefit associations under the supervision of the department of trade and commerce and specifies that any that may become insolvent should be liquidated by the state insurance liquidation bureau.

Regulating Investments

Burial insurance societies would be brought under the supervision of the department of trade and commerce. They would be required to file annual reports with the department.

The act prohibiting misrepresentation

by life insurance companies would apply to all insurance companies.

Another bill would prohibit the investing of capital or surplus of insurance companies in the stock of industrials, other than preferred or guaranteed stock of such companies which have earned through each of the five years previous a sum applicable to a dividend equal to at least 4 percent on all of its capital stock or upon the value at which such stock was issued, provided, however, that no life insurance company shall invest in more than 10 percent of the total stock or 5 percent of its assets in such stock of any one such manufacturing corporation.

The fraternal insurance act is amended under another bill permitting societies having more than 500 membership to come under its provisions without reorganization by adopting and filing with the director of trade and commerce a resolution.

Another bill requires deposit of reserves and registration of life policies and provides for the register to show any liens against such policies.

The agents' qualification bill, which

"INCOMES" In The Spotlight

Never before during this generation have "incomes" played such an important part. Never before in this country have so many people been without regular incomes. This gives a man a new appreciation of his health and his job. It brings a new appreciation of

INCOME PROTECTION

The B. M. A.

All-Ways policy,

replacing a man's in-

come in event of disability

caused by sickness or accident,

and providing for old-age-independ-

ence, has a new significance. There is a

new demand for Income policies, and B. M. A.

salesmen are meeting that demand *with the now*

famous All-Ways policy

"It Pays All-Ways and Always"

BUSINESS MEN'S ASSURANCE COMPANY

KANSAS CITY, MISSOURI

W. T. Grant, President

More than \$24,000,000.00 in Benefits Paid since organization.

More than \$91,000,000.00 Life Insurance in force.

if you want—

- Unrestricted Territory
- Vested Renewals
- Agency Building Opportunity
- Home Office Co-operation

then you want

the Square deal Agency Contract

as issued by

Guardian Life
Insurance Company

MADISON, WISCONSIN

Address W. J. Wandrey, Secretary and Agency Manager

W. L. MOODY, JR.
President

W. L. MOODY, III
Vice-President

W. J. SHAW
Secretary

SHEARN MOODY
Vice-President

J. B. MILLS
Asst. Vice President

AMERICAN NATIONAL INSURANCE COMPANY

HOME OFFICE:
GALVESTON, TEXAS

Assets \$43,535,337.85

Surplus 6,100,953.69

We Have Openings for Live Men in

Kansas Minnesota Texas
Kentucky North Carolina West Virginia
Michigan South Carolina

Under Direct Home Office Contracts

ORDINARY—INDUSTRIAL
GROUP—HEALTH AND ACCIDENT

Liberal First Year and Renewal Commissions
Up to Date Policies—Non Medical—Group and Special Low
Premium Plans Offering New and Attractive Features.

If Interested Address

AMERICAN NATIONAL INSURANCE CO.
GALVESTON, TEXAS

was amended at the instance of Illinois life companies and agents, to eliminate licensing of life insurance agents was passed. There is some question in life insurance circles as to whether agents representing life companies, which also do a health and accident business, are exempt from the provisions of this bill.

Stirred Up a Hornet's Nest

Mayor of Flint Draws Fire by Recommending One Life Company to City Employees

FLINT, MICH., June 25.—Mayor McKeighan has stirred something of an insurance hornet's nest, it appears, by his recent action in dispatching letters to about 1,000 city employees recommending that they take insurance on the payroll deduction plan and preferably patronize the Lincoln National Life, whose plan is characterized by the mayor as "the most complete."

News that the letters had been sent out brought immediate protest from the Flint Association of Life Underwriters, a committee from which waited upon the mayor to ask an explanation of his action. M. L. Schmidt headed the committee. It was contended that the commission on the business will all go to Frank Freeman, state agent for the company with offices in Detroit and that Earl Messenger, Flint agent of the company, will not share in the commission.

The mayor and other city officials gave the protestants little satisfaction. The executive said the other agents were evidently irate because Mr. Freeman had "stolen a march" on them but that he could see no reason why he should, as requested, write similar letters recommending the services of other companies. It was agreed that names of the city employees would be available to all of the agents if they wished to make a canvass for the same type of business.

The Lincoln National Life plan was recommended, C. J. Scavarda, acting city manager said, by a special committee which studied a proposal that city employees be covered by group insurance. When no city funds were available to share the expense it was decided to recommend the salary deduction scheme as an alternative, he indicated. Mr. Schmidt said this committee's report that it could not give further consideration to a group plan had been taken as final by the other agents and the fact that an alternative was considered was not revealed to other company representatives.

Madden Agency Summer School

The Madden Agency of Milwaukee, state manager of the Kansas City Life, will hold a three day summer camp school July 9-11 at Lac du Flambeau. Dix Teachenor, million dollar producer of the company, will conduct some of the sessions as will Frank Barr, superintendent of agents, and C. N. Sears, secretary. L. E. Madden, head of the agency, is showing a very fine record.

Ayres and North at Dayton

The country has become "insurance wise" in the past few years, which is a big factor in the tremendous development in insurance, particularly within the past decade, F. O. Ayres, first vice-president Metropolitan Life, declared while on a visit to the Dayton, O., office with C. J. North, superintendent of agencies.

"People have a different conception of insurance," he said. "They realize more and more that their policies are worth the face value in cash and that cash is guaranteed, that the policies have no depreciation."

Honor McMillen at Milwaukee

MILWAUKEE, June 25.—C. L. McMillen, for the past 12 years home office general agent for the Northwestern Mutual Life in Milwaukee and Waukesha counties, and recently appointed a general agent in New York City metropoli-

Honor Ohio Veteran



CHARLES UNGER

Charles Unger of Mansfield, O., 25-year veteran of the Western & Southern Life, was honored with a banquet there June 20. After serving his company nine years in Cincinnati and seven years in Richmond, Mr. Unger was placed in charge of the Mansfield district, which he has placed among the company's leaders. President C. F. Williams presented Mr. Unger with gold emblems signifying 25 years of continuous service. Those present at the celebration were the Mansfield staff and their wives, representatives from Galion, Ashland, Mt. Vernon and officials from the home office.

tan territory, was guest of honor at a dinner given by the Milwaukee agents Friday evening.

Speakers included Vice-President M. J. Cleary; C. H. Parsons, superintendent of agencies; Victor M. Stamm, Mr. McMillen's successor as general agent here; Dr. C. E. Albright, star producer of the Milwaukee agency, and A. J. Earling, who spoke on behalf of the younger men in the agency, and particularly in honor of William Allen, Jr., and R. E. Jones, who are accompanying Mr. McMillen to New York.

Writes Million Dollar Case

Million dollar cases are not so numerous these days. R. L. Stevens of Evansville, Ind., agent of the Sun Life working under Manager W. H. Atteberry, wrote a million dollar policy on L. D. Johnson, vice-president and general manager of Mead Johnson Company of Evansville. This was a business policy on the ordinary life plan. Mr. Stevens received settlement with the application. He is a leading agent in Evansville and has specialized on business insurance. In addition to this case Mr. Stevens has paid for over \$1,000,000 of new business during the year.

Illinois Life Sales

Life insurance sales in Illinois for May were \$62,296,000, or a decrease of \$5,031,000 from the previous month and a decrease of \$14,431,000 compared with the figures for May, 1930, according to the Illinois chamber of commerce. This brings sales for the first five months to \$314,563,000 compared with \$373,685,000 for the like 1930 period.

Burial Societies Under Life Law

Governor La Follette of Wisconsin has signed a bill making the laws governing legal reserve life companies apply to persons conducting burial insurance business.

J. G. Morey, Detroit general agent Guardian Life, has moved his offices from the Eaton Tower to 704 United Artists building.

IN THE MISSOURI VALLEY

St. Louis Managers' Election

**Squires Named President of Association,
Succeeding Ira Fisher, Fooshe
Vice-president**

E. G. Squires, agency manager for the Bankers Life of Des Moines, has been elected president of the General Agents & Managers Association of St. Louis to succeed Ira Fisher, Penn Mutual Life. C. R. Fooshe, Prudential, was elected vice-president to succeed Mr. Squires. J. J. Crowley, Pacific Mutual Life was reelected secretary-treasurer.

C. O. Shepherd, vice-president and actuary of the Missouri State Life, was the principal speaker at the June meeting. He discussed present conditions and the outlook for life insurance in the remaining months of 1931.

Leaver Heads Des Moines Club

J. H. Leaver, Missouri State Life, was elected president of the General Agents & Managers Club of Des Moines at its annual meeting. He succeeds M. L. Seltzer, Aetna Life. L. W. Basham, Penn Mutual, was named vice-president and L. W. Secor, Great Western, reelected secretary-treasurer.

Kansas Insurance Day in Fall

Tentative plans are being formed for the fourth Kansas Insurance Day, to be held probably in October. Frank L. Britton, executive vice-president of the Preferred Risk Fire of Topeka, is president of the Kansas Insurance Day Association having been elected at the meeting in Hutchinson in May, 1930. Clayton Mammel, general agent of the Farmers & Bankers Life of Wichita, is vice-president, and H. O. McIntosh,

state agent of the Hanover Fire, is secretary-treasurer. Meetings have heretofore been held in the spring but it is believed that the attendance can be increased by the change in date.

Kelly Opens New Office

John J. Kelly, life insurance man in St. Louis for 38 years as a general and special agent, has opened offices as a life insurance counselor at 1224 Chemical building, St. Louis, with several associates.

Until recently Mr. Kelly was general agent in St. Louis for the State Mutual Life. He held that position for 28 years. Prior to his association with the State Mutual, Mr. Kelly for ten years was special agent for the ordinary department of the John Hancock Mutual in St. Louis. Associated with him are E. J. Murphy, J. J. Klohr and A. D. Krause, all formerly with the State Mutual.

Start Home Office School

A school for home office employees of the Continental Life of St. Louis has been formed with Actuary A. B. C. Mott as instructor. M. T. Mifflin, educational director, will also give the class the benefit of his knowledge and experience.

The purpose of the school is to give the home office workers a broader practical knowledge of the entire subject of life insurance and the science of life insurance underwriting. Sessions are to be held every two weeks.

Offers Actuarial Service

Tom D. Eilers of Omaha has established the Eilers Company, \$100,000 capital, for supplying examinations and actuarial service for life companies and organizations. He has associated with him Lyle M. Eilers.

IN THE SOUTH AND SOUTHWEST

Coffin Is Florida Manager

**Maccabees Also Make a Number of
Other Appointments of District
and Assistant Managers**

A. M. Coffin of Miami, Fla., who has been connected with old line companies for a number of years, has recently been made state manager for the Maccabees in Florida. He is organizing the state into districts and appointing district and assistant managers. Recent appointments are: H. S. Brannen, formerly with the Sun Life; H. L. Cumberly, formerly with the Aetna Life; J. F. Hartley, formerly with the Sun Life; Carl Pfeiffer, formerly with the Prudential. L. O. Bogenreif is district manager of the Maccabees at Orlando.

Would Regulate Promotions

MONTGOMERY, ALA., June 24.—A bill regulating the promotion of insurance corporations and the sale of securities has been introduced in the Alabama house. It is claimed the bill is practically a copy of the New York law with modifications to suit conditions in Alabama.

Ask Receiver for Sunshine Life

Upon application of Mrs. Ida S. Walton of Okeene, Okla., a hearing on appointment of a receiver for the Sunshine Life of Oklahoma City will be held June 26. E. M. Rominger, former head of the company, is under \$2,000 bond on a charge of obtaining property under false pretenses. Two other com-

pany officials, similarly charged, have not been apprehended.

South Carolina Tax Increased

Governor Blackwood of South Carolina has signed the bill providing for an additional 1 percent tax on insurance premiums. The 1930 legislature passed a similar bill but it was vetoed by then Governor Richards.

News of Pacific Coast States

Salesmen Hold Conference

**Business Men's Assurance People from
Four States Held Meeting at Salt
Lake City**

The eleventh of a series of sales conferences being held by the Business Men's Assurance in key cities was held in Salt Lake City. Vice-President J. C. Higdon, Director of Field Service B. A. Hedges and Chief Claim Adjuster L. L. Graham were in attendance.

Sales Presentation Contest

Organized sales presentations was the featured topic for discussion. A contest with cash prizes for the winners of memorized sales presentations was the high point of the conference. The affair was concluded with a banquet at which President C. R. Marcu-

"NEVERTHELESS"

Older Agents who work chiefly among business men are louder complainants of the times than are the new, the young agents.

Day after day these older Agents are gloomed by the pessimism of business men on whom they call, resulting in a paralyzing "What's the use?" attitude. Young, new Agents, on the other hand, solicit among salaried men and women, who are not bearing the burden of business, and are assured of the continuance of their incomes. The atmosphere in which these youngsters work does not depress and does not smother industry.

Nevertheless the undaunted older men prosper by driving home among the moneyed the investment merits of life insurance, and among business men the prudence of protection during this period when uncommonly heavy obligations would bankrupt the businesses and the estates of the carriers if death should come before normal prosperity returns.

Be the depression what it may for others, it is unquestionably a psychological one, to a large degree, for the life underwriter.

THE PENN MUTUAL LIFE INSURANCE CO. PHILADELPHIA

WM. A. LAW, President

Independence Square

Founded 1847

SIXTY YEARS of PROGRESS 1871 1931

Statement for 1930

New Assurances Paid for.	\$ 705,678,000
Total Assurance in Force.	2,863,701,000
Surplus and Contingency	
Reserve	36,532,000
Assets	588,733,000
Liabilities (including Paid-up Capital Stock) ..	552,201,000

SUN LIFE ASSURANCE COMPANY of CANADA

Head Office: Montreal

No. 6 of ATLANTIC ADVANTAGES

Atlantic representatives can guarantee clients a retirement income through either our **Guaranteed Retirement Income Contract** or our varied **Endowment Contract plans**.

ATLANTIC LIFE INSURANCE CO.
Richmond, Virginia

Angus O. Swink, President

Wm. H. Harrison, Vice Pres. & Supt. of Agencies

Honestly, It's the Best Policy

SERIES No. 10

*regarding the conservation and
reclamation of life insurance*

MR. LIFE INSURANCE EXECUTIVE:

CONSERVATION is just as important as acquiring new business. The successful, trained conservation representative has a profession all his own. Our experience in Life underwriting has been that the Life Insurance agent is not a good Conservation man, neither is the Conservation representative a good Life agent.

In connection with Conservation work our records show a large percentage of new business written in servicing policyholders whether they have a loan, extended insurance, or small paid up policies. Results are what you require.

The following is what we have accomplished in three typical cases:

Company A: 5,600 policyholders interviewed. 4,945 policies re-arranged; 785 new policies written; lapsation since campaign started September, 1929, less than 1 per cent.

Company B: Campaign started January 1, 1931. 1,664 policies re-arranged; 422 new policies written.

Company C: Campaign started March 15, 1931. 1,944 policies re-arranged; 319 new policies written; 526 juvenile applications secured.

Cash received with every transaction. This eliminates temptation to lapse. Because of conditions existing for past two years every impaired policyholder should receive a personal call. It will build good will that never can be dissipated, besides securing much new and increased business.

We do handle conservation and reclamation work much differently than any method you are now acquainted with. Our system which has proven successful with other companies can also be extended to yours. Your inquiry regarding this work will bring a prompt response.

DEBARRY & ASSOCIATES, INC.

INSURANCE COUNSELORS

222 WEST ADAMS STREET, CHICAGO, ILL.

Commissioner McQuarrie of Utah were the principal speakers.

Thirty-five salesmen from Utah, Idaho, western Wyoming and eastern Nevada were in attendance, led by W. M. Jones, branch manager. Mr. Jones is one of the veteran B. M. A. managers, his entire career of 15 years having been spent with this company. He is also active in insurance organization work and is president of the Utah Life Managers Association.

Hoyt Leisure's Fine Record

Hoyt M. Leisure of the Occidental Life of Los Angeles in his home city made a remarkable record in May. He secured one application for \$250,000, two for \$200,000 each, four of \$50,000 each, one of \$26,000, one of \$15,000, one of \$12,000, eight of \$10,000 and then lesser quantities to make up the million. Last year he produced \$1,810,400.

ACCIDENT-HEALTH

Liberalization Announced

Travelers Puts Women on Same Basis as Men and Raises Maximum Limit

Liberalizations in the reimbursement form of accident insurance for hospital benefits, originated by the Travelers, are announced by that company.

The policy, which has been applicable to men and women, but in the age groups of 18 to 65 and 18 to 59 respectively, has been changed to include women in the same age classification as men. This change as respects women has been made by the company in view of the fact that women with practically the same exposure to accidents as the men of the house require the protection offered by the policy in the higher ages the same as men.

With the experience of the company under the reimbursement or family policy showing that in cases of serious injuries \$2,000 reimbursement is no more than adequate, the Travelers in its changes of the contract has made it possible for agents to write higher amounts of reimbursement in connection with the principal sums than heretofore. Previously the amount of reimbursement offered was 10 percent of the capital sum, while the policy liberalization now permits the writing of any amount of reimbursement from \$500 to \$2,000 in connection with \$5,000 capital sum.

New Premium Rates

New premium rates also have been made for the policy, with the result that excess or additional reimbursement can now be obtained at a lower rate than the initial \$500 of reimbursement.

In the announcement of the policy changes to representatives, Secretary Ahern pointed out that the reimbursement policy is of interest to the wives, sons and daughters of present policyholders and that it can be used to supplement the protection offered by other policy contracts already in force among policyholders. The policy covers all kinds of accidents, whether occurring in automobiles, in and around the home, on the street, or while engaged in recreation, and pays in addition to dismemberment and loss of eye benefits the actual expense of the cost of medical or surgical treatment, hospital confinement, and the services of a trained nurse up to the amount of the reimbursement purchased. In addition special benefits are provided for a schedule of specific injuries.

Made Assistant Secretaries

F. W. Benjamin, manager accident and health department Commercial Casualty at the home office; P. G. Garey and William Wollny of that department have been appointed assistant secretaries of the accident and health department

of both the Commercial and Metropolitan Casualty.

R. H. Brusoe has been made superintendent of the accident and health claim department of the Metropolitan Casualty and Commercial Casualty.

Hulme Goes to the South

L. L. Hulme, divisional supervisor of the monthly premium department of the American Bankers at its head office in Jacksonville, Ill., has been made resident vice-president with headquarters in Tennessee, taking charge of the monthly premium business. Mr. Hulme will cover the south.

Standard Policy Bill Killed

MADISON, WIS., June 25.—The bill to require a standard accident and health policy form in Wisconsin was killed on the vote for final passage in the senate, 17 to 16, after having been advanced to engrossment by a tie vote, 14 to 14. Reconsideration was then refused, making it impossible to bring the bill up again.

A companion bill embodying the same provisions was introduced in the lower house but is believed not to have any chance of success there.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$4.00 and the "Little Gem" published annually in April at \$2.00.

New Kansas City Life Forms

Announces Juvenile Policies and Income Endowments at 60 and 65 for Adults

The Kansas City Life has introduced a set of ten juvenile policies and income endowments at 60 and 65 for adults.

Death benefits on the juvenile forms are \$200 for each year of age at death up to \$1,000 at age 5. Waiver of premium in event of death or disability of the parent may be added for a small extra premium.

Income endowments provide \$1,500 insurance or the cash value if greater, to age 60 or 65 as the case may be. After that date there is payable a monthly life income of \$10 per \$1,000 guaranteed for at least 100 months. Cash value at maturity of the age 60 form is \$1,375 and the age 65 form \$1,200.

The rates are:

Income Endowment at							
	Age 60	Age 65	Age 60	Age 65		Age 60	Age 65
Age 10	\$16.21	\$13.80	45	.....	\$41.25	\$30.83
15	18.69	15.56	46	.....	54.56	38.56
20	22.29	17.84	45	.....	77.32	51.07
25	26.61	20.86	50	.....	123.98	72.01
30	32.59	24.96	55	.....	.....	113.72
Age of Child							
End. at 16	\$58.70	.....	\$81.60	.....	\$132.95
End. at 17	54.50	.....	74.00	.....	114.95
End. at 18	50.85	.....	67.55	.....	100.95
End. at 19	47.60	.....	62.10	.....	89.40
End. at 20	44.75	.....	57.35	.....	80.70
End. at 21	42.15	.....	53.15	.....	73.15
15 Pay. Life	23.85	.....	23.45	.....	23.05
20 Pay. Life	19.75	.....	19.25	.....	19.00
25 Pay. 30 Yr. End.	33.30	.....	31.90	.....	31.00
20 Year End.	42.15	.....	40.80	.....	40.10

Life & Casualty

The Life & Casualty has announced a new whole life policy, providing liberal death and disability benefits, to be issued to first class colored risks. The policy may be issued in amounts of \$500. The company withdrew from this field some years ago on account of the unfavorable mortality experience on that class of business, but believes that the reason for this experience was the lack of care exercised by the agents in selecting first class risks.

Pacific Mutual Life

The Pacific Mutual Life has designed a special contest policy to be used the last two weeks of the June contest in

★ ★ ★ ★ ★

A new book on salesmanship

WRITING INDUSTRIAL INSURANCE

By James P. Heron

★ ★ ★ ★ ★

THE NATIONAL UNDERWRITER COMPANY announces the publication of a new book on Life Insurance Salesmanship, entitled "Writing Industrial Insurance."

It deals almost exclusively with Industrial Insurance Writings and is intended solely for the man "on the debit." It is one of the few books ever presented to the insurance world with the express purpose of aiding the Industrial Agent.

The author has been intimately associated with Industrial Insurance for almost thirty years. His experience as an Agent, as an Assistant Manager and as a Manager of one of the large Companies enables him to deal authoritatively on the subject of "Writing Industrial Insurance."

The book is in three parts:

How to Develop the Debit

Part I is intended to instruct the Agent how to develop business on his debit. This division consists of a series of canvasses so designed that the Agent is enabled to develop Prospects, uncover their needs, and present a "service" for those needs that practically guarantees a "sale." It is intended that the Agent will take canvass after canvass described in this division until he has exhausted all the prospects on his debit on each canvass. This will not only increase his production, through a methodical, systematic working of his debit, but will also furnish him with a variety of canvasses, so that the moment that he meets a prospect, there should flash through his mind the canvass that would be the most suited to that prospect's needs.

Possibly the greatest difficulty that industrial men experience in the field is not so much the writing of business, as the finding of "Prospects." An Agent must first secure "Prospects" before he can write his insurance.

This book strives, not only to show the agent where he can find his "prospect," but also to furnish him with the canvass to present to that prospect.

Canvassing New Families

Part II treats on the canvassing of new families. Canvassing new families should form an integral part of an Agent's duties. With our present large debits affording unlimited prospects and leads, there is a disposition on the part of field men to neglect the canvassing of new families.

We are all prone to follow the line of least resistance. The average agent finds it more congenial to seek his new business in the homes where he collects and where he is already acquainted, than to ring the door-bells of new families.

This division furnishes the Agent with suggestions and approaches to "New Families" that practically eliminates the old method of "straight" or "raw" canvassing.

Planning the Work

Part III helps the Agent to plan his work. Possibly more men fail in the insurance business through lack of intelligent planning of their work, than for any other reason. An agent will follow a certain method or system in the collection of his debit, week after week, because he is, in a manner, compelled to do so. Yet he will fail to realize that it is just as necessary to have some method or plan to his canvass for new business.

How often have we observed Agents lounging around the office, loitering in the streets, with no place to go, no person to see, no prospects, when a half-hour's thoughtful examination of their Collection Book would disclose to them more prospects than they would be able to interview in a week.

No agent is doing himself justice in the insurance business who has not, at the beginning of each week, a carefully planned week's work, and at the beginning of each day, a good list of Prospects to interview, and a thorough preparation of the canvass he intends to present to them.

This division not only furnishes the Agent with suggestions for the planning of his weekly, daily and evening canvasses, but also, the necessary forms for this purpose.

The new Agent entering the insurance business may, by mastering the different Canvasses explained in Part I, and following the instructions contained in Parts II and III, find a clear and definite road which will insure his success.

The experienced Agent, when production is slow, or the writing of applications resists his best efforts, in fact, when he is in the "dumps," may, by turning to the Canvasses in Part I, find some forgotten Canvass which will give him new initiative and courage to rise to greater heights and happiness.

Insurance Book House,
The National Underwriter Co.,
420 East Fourth Street,
Cincinnati, Ohio.

Send me on ten days approval as soon as issued copy of "Writing Industrial Insurance" at the retail price of \$1.50. If I order a quantity later at the \$1.00 quantity rate this copy is to be included at that rate. If not wanted I agree to return within ten days.

Name Title

Company

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a company offering...

quick service
fair dealing
personal attention
active help
home office cooperation
attractive policies
practical suggestions

you need not look farther. The Shenandoah
Life offers all these attractive features.
Write Charles E. Ward, agency manager.

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ROANOKE, VIRGINIA

ARE YOU AWAKE TO OPPORTUNITY

Life Insurance Men of Vision Know That the Greatest
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Is with the Company That Is

NOT TOO LARGE NOT TOO OLD
NOT TOO SMALL NOT TOO YOUNG

The Solid Growing Company Offered by Men Who Are Agency Minded

WE HAVE THE TOOLS

Participating and Non-Participating Policies—Men and Women on Equal Terms—Total
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Circularization Aids—Supervisor's Help—Direct Contracts, Human Relations, Liberal
Contracts and Special Producer's Clubs

If You Are Ready for a General Agency There is Desirable Territory Open in
IOWA—NEBRASKA—MINNESOTA—AND SOUTH DAKOTA

THE OLD LINE CEDAR RAPIDS LIFE INSURANCE COMPANY

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Co-operation - Sincerity - Service

Our Motto for 80 Years

Ask Any Berkshire Agent

BERKSHIRE LIFE INSURANCE CO.

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PITTSFIELD, MASSACHUSETTS

THE UNITED STATES LIFE INSURANCE COMPANY

Organized 1850 In the City of New York Non-Participating Policies Only

Over 75 Years of Service to Policyholders

Good territory for personal producers, under direct contract
HOME OFFICE: 156 Fifth Avenue, New York City

which the agency organization is engaged in honor of President G. I. Cochran and Vice-President R. J. Mier. It is a readjustment income policy and provides \$100 per month to the beneficiary for two years following the death of the insured.

Mutual Life of New York

The Mutual Life of New York has revised its rules regarding writing passengers on regular scheduled air transportation lines as follows:

No. of Flights	Per \$1,000	Limit
1 to 10, inc.	None	\$200,000
11 to 20, inc.	None	150,000
21 to 30, inc.	\$2.50	100,000
31 to 40, inc.	5.00	75,000
41 to 50, inc.	5.00	50,000
Over 50	*2.50	25,000

*Additional for each 20 flights.

The company's practice of extreme caution in the matter of disability benefits for such risks remains unchanged.

Penn Mutual Life

The Penn Mutual Life is withdrawing its "participating life income" policy which was sold readily and was primarily an investment proposition. Most of the companies getting out these contracts have withdrawn them on the ground that they concentrated too great a percentage of the assets in call loans in time of emergency which might be very embarrassing. The Sun Life closed out its contract of this character some time ago and others are taking the same course.

ASSOCIATIONS

Wood Heads Oklahoma Body

Todd Named Vice-President and Marshall Treasurer—Buchholz Says Depression Is Challenge

OKLAHOMA CITY, June 25.—J. A. Wood, general agent Aetna Life, was elected president of the Oklahoma Association of Life Underwriters at the June meeting in Oklahoma City. J. A. Todd, general agent Central Life of Iowa, was named vice-president; E. W. Marshall, general agent Bankers Life of Iowa, treasurer, and Josephine B. Lincoln, special agent Equitable Life of New York, was reelected secretary.

The feature of the meeting was a message on "How to Write Life Insurance During Hard Times" by W. A. Buchholz, special agent New York Life. Mr. Buchholz has written more than a million of new business since Jan. 1, although he was ill for more than two months of that period. He considers the depression a challenge thrown down before every life underwriter, which should stimulate to greater effort than he has ever put forth before.

* * *

Indianapolis—New officers of the Indianapolis association were announced at the meeting last week: President, J. P. Meek, Indianapolis Life; first vice-president, E. A. Crane, Northwestern Mutual; second vice-president, Ralston Jones, Aetna Life; secretary, Martin Lammers, American Central Life; treasurer, D. E. McDonald, Life Insurance Company of Virginia. J. G. Wood continues as executive secretary. New members of the executive committee are Ralston Jones, Ward Hackelman, Ernest Crane, Joel T. Traylor, Roy VanBuren, W. B. Cox, W. W. Harrison.

Retiring President H. J. Luckey presided. It was announced that the membership had reached 617 and that within the month it would be close to 700. Last year the Indianapolis association took first prize at the national convention for membership increase and this year has come back with another substantial increase of more than 100 over last year, an unusual record.

A one-act playlet, "Robinson Crusoe," was presented by C. C. Robinson, editor of the "Insurance Salesman"; Norman Green, secretary of the Hoosier Casualty, and his brother, Edward Green, just graduated from Butler University.

* * *

Kansas City, Mo.—J. H. Mickey, general agent State Mutual and general chairman of the recent Kansas City Sales Congress, was elected president of the Kansas City association at the annual



NO DEPRESSION for this man

He sells something that everybody needs—the protection afforded by United Life policies which contain ALL IN ONE CONTRACT:

LIFE INSURANCE WITH DOUBLE AND TRIPLE INDEMNITY FOR ACCIDENTAL DEATH.

NON-CANCELLABLE, NON-PRO-RATABLE WEEKLY ACCIDENT INDEMNITY.

WAIVER OF PREMIUMS AND MONTHLY INCOME FOR TOTAL AND PERMANENT DISABILITY.

In addition to attractive policy contracts in the form of ordinary life, limited payment life, endowments, monthly income, educational endowments, and juvenile insurance he offers

THE INCOME INDEMNITY CONTRACT—THE NEVER FAILING SUBSTITUTE FOR THE SALARY CHECK

His advice to ambitious agents is this: Get in touch immediately with

UNITED LIFE AND ACCIDENT INSURANCE COMPANY

Home Office: United Life Building
CONCORD, NEW HAMPSHIRE

\$1,000 to \$1,600

Ordinary Life Insurance at An
Average Cost GUARANTEED
OF ONLY \$14.00 per \$1,000

ALL PREMIUMS RETURNED

in addition to face of policy
in event death before age 60

FULL FACE THEREAFTER
AND PREMIUM REDUCED 20%
Original cost, age thirty, \$21.40
per \$1,000 to age 59; \$17.19
per \$1,000 thereafter

If you reside in Ohio, Illinois, Indiana,
Kentucky, Louisiana, Pennsylvania, Tennessee,
West Virginia or the District of
Columbia

Write for Sample and Particulars

This is one of many unique contracts
issued by

Federal Union Life

FRANK M. PETERS, President
Cincinnati, Ohio

meeting, succeeding H. A. Hedges, Equitable of Iowa. E. G. Mura, Massachusetts Mutual, is first vice-president; W. E. Pendleton, Lincoln National, second vice-president; F. E. Bolin, Business Men's Assurance, secretary-treasurer.

The Aetna Life representatives for the second year won the golf tournament trophy, although golfers representing Mill, Gentry & Mill, New England Mutual general agents, ran them a close second.

* * *

Columbus, O.—The Columbus association is holding its annual meeting June 26. Warren H. Smith, State Mutual Life, Cleveland, will speak on "Changing Plans to Meet Present Day Conditions." J. W. Ray has been nominated for president; A. E. Houslie, vice-president; Ely D. Miller, secretary, and J. Boyd Davis, treasurer. Candidates for national committeeman are S. R. Fraher, C. R. Eckert and H. A. Chipman.

* * *

Flint, Mich.—The Flint association conducted a sales contest during May, National Life Insurance Month, results of which have just been announced. M. E. Held placed first, E. V. Hoover, second, a mere point behind, and Paul Leix occupied third place. A class for part-time agents was also arranged, the winners in this division being: William McKinnon, first; G. V. Donaldson, second, and H. L. Brintnell, third.

* * *

Philadelphia—T. M. Riehle, New York City, Equitable Life of New York, spoke at the June luncheon-meeting of the Philadelphia association. He urged agents not to be afraid of the word "no." "No matter how the prospect reacts," he said, "you have nothing to lose and perhaps something to gain. Don't be afraid of the 'no' and don't wait for him to say 'yes, I'll buy \$10,000.' Make the suggestion yourself and keep in mind the fact that the 'no' is thundered, but the 'yes' is only whispered."

He urged his audience to dramatize sales presentations and to have a definite sales plan. He said that 85 percent of success in life insurance consisted of courage and the willingness to work.

* * *

Des Moines.—At its June meeting the Des Moines association decided to organize a membership drive.

* * *

San Francisco.—The annual meeting of the San Francisco association was held June 25. J. M. Hamill of the Equitable Life of New York served as chairman of the nominating committee.

A. J. Cleary, executive secretary to Mayor Angelo Rossi of San Francisco, spoke on "San Francisco and Young Opportunities as a Life Underwriter—Today and Tomorrow."

* * *

Chicago.—Alexander E. Patterson, Penn Mutual general agent, new president of the Chicago association, will give a dinner Friday night at the Union League Club to the new directors. There will be a special board meeting and Mr. Patterson will appoint standing committees for the year.

* * *

Waterloo, Ia.—The Waterloo association, at its annual meeting, elected R. L. Short, Equitable Life of New York, president, succeeding Guy French, agency director New York Life. Other officers are: E. A. Schaefer, first vice-president; Earl White, second vice-president, and C. W. Kirkpatrick, secretary-treasurer. Leroy Anderson was named executive committeeman and Fred Repass, representative to the National association meeting. The association closed its season with a family picnic Wednesday.

* * *

Mobile, Ala.—J. C. Montgomery has been elected president of the Mobile association; E. A. Zelnicker, vice-president; Henry Toenes, reelected secretary; Thompson McRae, treasurer.

* * *

Sioux City, Ia.—At the annual meeting of the Sioux City association John Showalter was elected president; C. R. Garrett, vice-president; H. E. McComb, secretary; Leo Dougherty, treasurer; W. D. Morton, national committeeman. The executive committee includes W. D. Morton, chairman; Rex Truesdell, Gus Silzer, J. D. Walsh and Ralph Hendrickson.

Mr. Showalter became president for the unexpired term some months ago when George Rockwood was transferred from the city.

* * *

Birmingham, Ala.—A twister and re-bater was "convicted" at a mock trial staged last week by the Birmingham association. The trial was highly en-

Gives Sample of What Compact Agency Can Do

E. R. Eckenrode, general agent of the Penn Mutual at Harrisburg, Pa., is giving a sample of what a compact and efficiently handled organization can do in a period of depression. The agency business last year showed a sizable increase over that of the year before. In 1931 the latest figures show a gain of more than 50 percent for the first four months. This was done mainly in rural territory. Bulletins, quotas, contests, supervisors' visitations, calls in the territory by Mr. Eckenrode himself, the forbidding of the use of the word "depression" in the agency under penalty of dismissal, and the faithful use of Penn Mutual sales material are largely accountable for the flourishing condition of the agency.

tertaining and impressed upon the agents the seriousness of these malpractices of the life insurance business. The defendant was prosecuted and defended by two prominent Birmingham lawyers.

Winston Roberts, newly elected president, presided and announced that the association membership has been increased from 56 to 86 through the efforts of Coke S. Wright, membership chairman.

* * *

Colorado.—H. O. Smith, Denver, Connecticut Mutual, was elected president of the Colorado association at the annual meeting and frolic last week. Other officers chosen were: Vice-presidents, G. J. Gay, Denver, Sun Life; H. C. Whipple, Pueblo, Northwestern Mutual; Roy Sears, Greeley, Equitable of New York; secretary-treasurer, G. A. McTaggart, Denver, Prudential; chairman executive committee, C. A. Lee, Denver, Occidental Life of North Carolina.

* * *

Davenport, Ia.—Officers of the Davenport association were elected at the annual meeting: L. J. Zockler becomes president, succeeding H. J. Plack; Henry Meese, first vice-president; Richard Le Buhn, second vice-president; M. Van Epps, treasurer; George Powell, secretary, and S. W. Sanford and Mr. Plack, members of the executive board. A. W. Van Houten was chosen state committeeman.

* * *

Ashland, Ky.—The Ashland association, at its monthly meeting, heard J. H. Hell, general agent Bankers Life at Louisville, speak on "What's Next?" Mr. Hell dealt with life insurance as the best permanent investment and gave detailed facts and figures to prove its increasing value. He also spoke in detail on time control as applied to the time of the agent in the field.

* * *

Miami, Fla.—At the annual meeting of the Miami association J. M. Lipton, Aetna Life, was elected president; Bruce Wilmarth, Metropolitan Life, first vice-president; William Revels, Peninsular Life, second vice-president; W. J. Brown, Mutual Life, secretary-treasurer. Directors are Harvey Payne, W. M. Pierce, C. W. Quinn, H. C. Sweet, J. M. Powers, W. J. Brown and S. A. Burgess. The association has about 100 active members.

* * *

Anniston, Ala.—T. M. Fowler was elected president of the newly organized Anniston association; W. H. Wilson, vice-president; W. M. Field, secretary-treasurer; P. A. Argo, Joseph Wheeler, J. W. Thompson, A. D. Welborn, H. A. Young, Jr., and M. C. Starne, directors.

* * *

Memphis, Tenn.—Four new directors will be elected Friday at the meeting of the Memphis association. The following have been nominated: Cliff Blackburn, R. L. Brightwell, E. R. Caldwell, Jeff Gros, C. S. Leavell, Joe R. T. Ransom, Paul Sawrie and Bolling Sibley. They will fill the places on the board of L. T. Binford, R. H. Lake, E. J. McCormack and S. W. Ryan.

The election committee included Frank M. Hays, chairman; Miss Marguerite Searcy, C. Wesley Goyer, J. E. O'Callahan, Jeff Gross, Donelson M. Lake and M. S. Hudgins.

OVER 20% INCREASE OF INSURANCE IN FORCE FOR 1930

PERSISTENT HEALTHY GROWTH

MODERN POLICY CONTRACTS

BANKERS NATIONAL LIFE INSURANCE COMPANY

Bankers National Life Building

JERSEY CITY, N. J.

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George Ramee,
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CREATES
THE BEST
KIND OF
BUSINESS!

MONARCH
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BASIS OF
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KIND OF
BUSINESS!

IF YOU want the kind of business that good will creates—the friendly, profitable kind—present your good clients with their policies inside a Monarch WALLET. The result will make you an optimist!

Ask insurance men who use MONARCH WALLETS to tell you what they have accomplished for them. They'll tell you that these handsome wallets of genuine leather are business-getters of the first rank. They make friends too—and that's just what every insurance man needs!

Write us for our descriptive folder. It gives full information. It will give you an idea that will increase your July volume.

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LIFE INSURANCE AS A PROPERTY INVESTMENT
 "It will revolutionize Life Insurance selling" says one Company President. Exclusively and completely developed only in the New Training Course, "The Essentials of Life Underwriting," by Abner Thorp, Jr. Published by The Diamond Life Bulletin, 628 East Fourth Street, Cincinnati, Ohio.

Knights Life Building



Steady progress is being shown by many medium sized companies in spite of the fluctuations and discouragements of the times. While the promoters and economists are busy merging companies, or trying to, there are some that just go on, mind their own business, work hard and as a result have come out in fine shape.

The new home office building of the Knights Life of Pittsburgh was dedicated May 27, and is now occupied by the company. Few outside of Pennsylvania may have heard of the Knights Life, but in that section it is a factor of some consequence. It was organized in 1917. It now has 15 industrial districts

in 12 cities of Pennsylvania, three of which are in Pittsburgh and two in Philadelphia. In the last 12 years it has increased its industrial business from \$2,000,000 to \$32,000,000 and its ordinary from \$237,500 to \$14,000,000. It has a capital of \$200,000 and assets of over \$4,000,000.

The "north side" of Pittsburgh turned out en masse at the dedication to welcome the new business institution to its midst. The building, a former residence of a prominent citizen, was erected in 1911 and has been entirely remodeled into one of the finest offices in Pittsburgh. The company now gives employment to over 400 people.

Investment Man Has Sound Advice

(CONTINUED FROM PAGE 3)

shape but rather to slower collections in payments, etc.

"Carefully selected conservative mortgage loan investments should come out satisfactorily in the end even though most companies, even under city mortgages, will have to take over a considerable volume of real estate. The situation is aggravated by the fact that there has been a considerable decrease in rental values with an adverse effect on holdings of real estate and their disposal in case of acquirement under foreclosure proceedings.

Some Real Estate Market

"That there is, however, a certain market for real estate even at this time is evidenced by the fact that one of the leading life insurance companies reports that it has disposed of four parcels of real estate this year at a profit of \$240,000 as compared with 1930, when it disposed of five parcels at a profit of \$60,000.

"With a return to normal conditions most conservatively managed companies may be expected to dispose of properties acquired under foreclosure without substantial loss if they don't become panic-stricken, and they can frequently come out with a profit.

"Our general investment policy, under present conditions, is to be optimistic but to be prepared for the worst.

Form Committee on Rail Securities

(CONTINUED FROM PAGE 3)

The situation is not a serious one at the present moment, except for its potentialities, nor has it grown suddenly worse recently. President Hoover's announcement last week and the consequent skyrocketing of the stock market indicate at least a temporary optimistic attitude. But it is definitely indicated that unless something checks or offsets the present unfavorable trend in railroad earnings, many of the roads will be in very bad shape.

It can be pretty definitely figured out just how much longer it will take for a number of roads to cross the line from solvency to insolvency at the present rate, and of the several factors which might bring an improvement, a rise in rates is about the only one that anything can be done about. Several roads have just petitioned for an increase in rates.

It is also felt that a rise in rail rates would of itself help a great deal to restore confidence, which in turn would stimulate an increase in rail traffic.

mistic but to be prepared for the worst. This depression is like others. In spite of the European situation, our country, which is favored in so many respects, will solve the present depression as it has previous ones."

1871—SIXTIETH ANNIVERSARY—1931

THE LIFE INSURANCE COMPANY OF VIRGINIA

Richmond

Bradford H. Walker
 President



Policies That Keep Abreast of the Times

To the life man who desires to serve his clients with the proper sort of disability coverage, the line issued by this Company will be found to be completely satisfactory.

He will find Accident and Health contracts as satisfactory to him as his own life policies. We offer life agents a substantial addition to their income. Send in the coupon for full information.

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INTER-OCEAN CASUALTY COMPANY

Executive Office
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Inter-Ocean Casualty Co.,
 12th Floor American Bldg., Cincinnati, Ohio.
 Please send me information regarding your accident and health policies.

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Wanted! GENERAL AGENTS

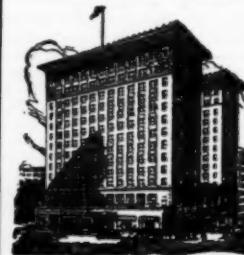
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Life Insurance, Trust Service

Now go hand in hand. Men of affairs demand both. Life Insurance creates the estate. Our Protected Life Insurance Trust safeguards it.

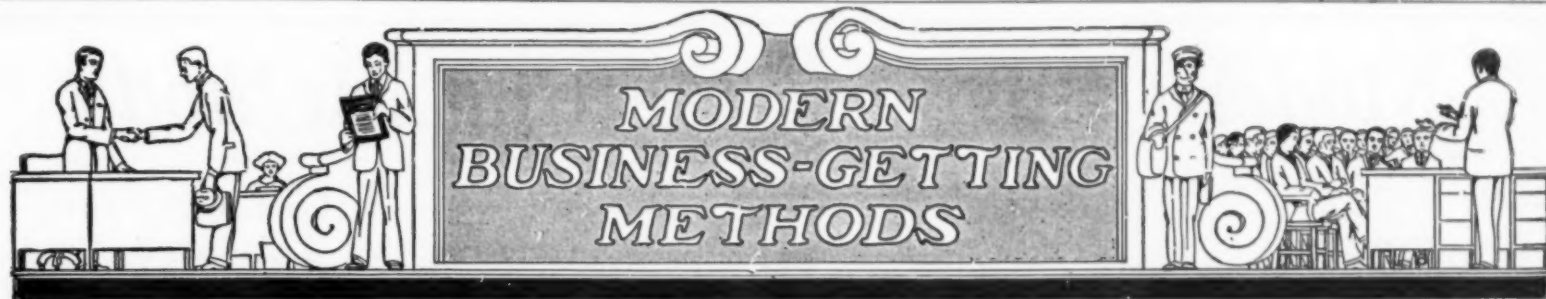
A Special Reserve Fund of \$2,000,000 protects principal and income against loss.

Chicago Title & Trust Company
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HENRY GRADY HOTEL
 Atlanta, Ga.

550 ROOMS 550 BATHS



Questions for C.L.U. Examination Conducted in American Universities in June Demand Liberal Education

Questions used in the examinations for chartered life underwriter which were conducted in 49 American universities and colleges last week by the American College of Life Underwriters are presented here. There were approximately 500 candidates for the coveted degree of C. L. U.

The examinations are in five parts, I dealing with the economics and principles and practices, II with principles and psychology of salesmanship, III with economic problems, government and sociology, IV with commercial and insurance law and the law of wills, trusts and estates, and V with corporation finance, banking and credit, and investments. The questions follow:

PART I

(a) Economics of Life Insurance

1. Annual premium whole life or endowment insurance constitutes an installment plan of investment. Enumerate the important features of an installment plan of investment, and in connection with each compare the merits of the life insurance plan with other installment plans of investment as conducted by depository institutions, such as savings banks, trust companies and building and loan associations.
2. Nearly all of John Smith's total estate consists of a business enterprise, the value of which to the extent of 50 percent consists of (a) good-will, and (b) intangible investment by way of advertising and the training of a personnel. Explain all the reasons why Smith needs life insurance to meet the above situation.
3. State five important and distinctly different ways in which life insurance can help the policyholder (assuming continued life) to create a larger estate than would otherwise likely be the case. Explain each of these creative functions of life insurance sufficiently to make its usefulness apparent.
4. Henry Brown, aged 45, is insured for \$100,000 (taken out at age 35), half of said insurance being whole life insurance on the twenty payment plan and the other half long term endowment insurance maturing at age 65. Being able to pass the necessary medical examination, Brown is advised, on the ground of better financial return, to surrender this insurance, to take out an equal amount of ordinary whole life insurance, and to invest the cash surrender value and the difference in premiums in his own business. Do you agree with this advice? State your reasoning fully.
5. Explain briefly three important ways in which life insurance serves advantageously the cause of constructive organized philanthropy.

(b) Principles and Practices

1. Select any three of the following, and in connection with each (a) define the exact liability of the insurance company, and (b) give an economic illustration justifying the issuance of the contract:
 - (1) "Joint-life policy."
 - (2) "Survivorship annuity policy."
 - (3) "Contingent" or "survivorship policy."
 - (4) "Last survivor annuity."
2. Contrast "industrial" insurance with "ordinary" life insurance as regards the most important policy provisions.
3. "A," a doctor aged 40, has a family consisting of a wife and two children, aged one year and three years respectively. His professional income is \$10,000 annually and of this at least \$5,000 is devoted to current living. He has shares of stock worth \$25,000 (at present market quotations), which in this period of depression have become nondividend issues. He also owns a home worth \$15,000 against which there is a mortgage of \$10,000. He carries no life insurance, but frankly concedes all of the normal financial distresses, such as higher education of children, the leaving of a decent unimpaired estate, etc., etc. Outline, with your reasons, a comprehensive insurance program for this man which will meet all the essential financial needs to which he is subject.
4. "A" (aged 30) earning a salary of \$4,000 a year and without any other estate of consequence, has made up his mind to select one of two types of contracts, but is in doubt as to whether it should be a whole life policy or a long term endowment maturing at age 65. He asks you to advise him and you do so. State your reasons fully.
5. According to the American Experience table of mortality and 3 percent interest, the net single premium for a whole life policy of \$1,000, issued at age 30, is \$55.52.
 - (a) Explain the method of computing the net annual level premium for this whole life policy, assuming premiums to be continuous throughout life.
 - (b) Explain the method of computing the net annual level premium for this whole life policy when it is desired to pay for the same in twenty annual level payments, instead of allowing premiums to continue throughout life.
 (In view of the limited time available, it is not desired that you make your multiplications, additions, and divisions. Merely indicate all answers by letters beginning with "A," and then follow continuously with "B," "C," etc. In each explanation show the method of computation for only the first two years and the last two years. The problem aims to ascertain the correctness of procedure and not actual results.)

Here followed a section of the American Experience table of mortality and a table showing the present values of \$1 at 3 percent over a period of 50 years.

PART II

Life Insurance Salesmanship

1. Discuss the normal behavior and strategy of the prospect and of the underwriter as they usually manifest themselves in the sale of life insurance upon the occasion of the first interview.
- 2-2. Dr. John Brown, a physician, age 34, is married to Elizabeth Brown, age 31, and has two children, Harry, age 7 and Margaret, age 4. His annual income is \$10,000, of which \$8,000 is used for living expenses. He owns his home which is valued at \$15,000 but subject to a first mortgage of \$6,000; his savings bank account totals \$2,000 and he has stocks and bonds valued (at current quotations) at \$4,000. He now carries \$10,000 ordinary life insurance payable to his wife in a lump sum.
3. (a) What specific insurance proposal would you recommend?
- (b) Outline briefly the approach you would use.
- (c) How would you answer an objection that the uncertainty of present conditions prevents him from committing himself to a definite program of expenditure?
4. (a) What is meant by programming a man's estate?
- (b) What fundamental knowledge is required on the part of the life underwriter in preparing such a program?
- (c) Enumerate the points which must be covered in an insurance program.
5. Discuss fully the sources from which a prospect list may be obtained.
6. (a) Distinguish between excuses and objections offered by the average prospect in the interview.
- (b) Enumerate five replies generally used by prospects in blocking the salesman's presentation.
- (c) Effectively answer these objections in order that the interview may continue.
7. What is your concept of a "professional attitude" on the part of a life insurance underwriter?
- 8-9. William Akers and George Long are partners owning and operating a small manufacturing plant. The present valuation of the partnership, independent of good will, is \$50,000. Each partner has provided for his personal estate, but no protection, through insurance, has been arranged for the partnership. Akers is 39 and Long is 42. The management of the business is divided between them and the death of either would financially handicap the further development of the business.
10. Insurance is suggested (1) to permit the surviving partner to replace managerial skill (2) to make the

Successful Prospecting Used by Little Rock General Agent

A personal prospecting system which results in one sale out of every three final calls made, has been developed by N. B. Weese, general agent for the Lincoln National Life in Little Rock, Ark. Mr. Weese's plan for the production of his personal business has been born of necessity, as he is a very busy man. He manages his agency of 15 men, edits a live and helpful sales bulletin, holds effective weekly sales meetings, trains new men, and supervises the many details incidental to running an office. When he goes out to write personal business he must make each call count, as he does not have time for any loose-selling methods. That his system has been a success is pointed out by the fact that he has many times been a national leader for his company in paid-for business—personal production.

Plan of Campaign

His plan, briefly outlined, is as follows:

1. Secure a list of policyholders, club members, organization workers, etc.
2. Put each name on a card and arrange in alphabetical order. Fill in with as many facts about each as can be obtained without too much difficulty.
3. Take this set of cards and make a series of preapproach calls. Note results

assets of the partnership liquid to meet an emergency situation and (3) to permit the surviving partner to liquidate the decedent's interest in the partnership. Outline briefly your sales presentation to meet the situation.

10. Discuss briefly the influence of each of the following factors in the selling process: (a) habits, (b) emotions, (c) temperament, (d) personality, (e) dress and appearance, (f) the logical appeal, (g) argument vs. suggestion, (h) tone of voice, (i) desire, (j) the use of a letter of introduction.

PART III

General Education

NOTE: A special grade on English will be given each candidate for this examination. It will be based upon grammar, spelling, punctuation, paragraphing, and other factors essential to the writing of good English, an extra hour being allowed for the examination in order that proper attention may be paid to all of these.

(a) Economic Problems

1. The period from 1922 to 1930 has often been referred to as a period of "profitless prosperity." In view of the fact that there was no pronounced upward movement in the level of prices of commodities during that interval.
- (a) Do you agree with the above statement? Reasons.
- (b) How may business profits be realized without rising prices, or possibly even with declining prices? Explain fully.
2. It has been frequently maintained that in view of our changed international financial position since the world war our traditional foreign trade policy will have to be altered.
- (a) What is our changed international financial position?
- (b) Explain our traditional foreign trade policy.
- (c) Do you agree with the above statement? Reasons.

3. In view of the widespread unemployment due to the business depression, compulsory unemployment insurance has been urged to relieve economic distress.

- (a) Set forth clearly the arguments which might be advanced, both for and against compulsory unemployment insurance.
- (b) Outline a program which in your opinion would help to solve the problem of cyclical unemployment.
4. Risk has been called inevitable in a roundabout system of production.
- (a) Explain or define the black face expressions.
- (b) Describe three ways in which this risk may be minimized.
5. In recent years governmental expenditures are said to have grown by leaps and bounds.
- (a) How do you account for these growing public expenditures?
- (b) Do total public expenditures in 1910 and in 1930 form a sound basis for comparing growth in governmental expenditures? Why or why not?
- (c) What test or tests would you apply to justify increasing governmental expenditures?

(b) Government

1. (a) List the various circumstances under which the proceeds of life insurance are exempt from (1) the federal estate tax, (2) state inheritance taxes.
- (b) Explain briefly the difference in taxability of life insurance under the federal income tax when proceeds are paid by (1) reason of death and (2) maturity of an endowment.
- (c) Is a premium tax levied upon a life insurance

Repetition of Methods Makes for Proficiency

MASON CITY, IA., June 25.—The value of organized selling was discussed by H. J. Cummings, vice-president and superintendent of agencies for the Minnesota Mutual Life at the June meeting of the Mason City district association. He detailed experiments with memorized presentations, which he said had been found productive of excellent returns. Organized selling, Mr. Cummings explained, is application of the principle that all persons respond much the same to given facts and that if given the right facts, the average person in proper circumstances will buy insurance. "No doctor, lawyer or dentist does well in his profession if he tries a different way each time," he said. "It is by constant repetition of the same method that he becomes proficient."

company equitable to all classes of policyholders? Explain.

2. (a) Illustrate by reference to several parts of the constitution how its authors tried to prevent the control of the national government from falling into the hands of one man or a small group of men.
- (b) How can you explain the growth in influence of the Presidential office?
3. Explain briefly each of the following:
 - (a) Presidential elector.
 - (b) House caucus.
 - (c) House floor leader.
 - (d) Our national government is one of delegated powers.
 - (e) Referendum.
 - (f) City manager-commission plan.

4. The A. B. C. Life Insurance Company of Chicago is the owner of its business.

- (a) Erects the A. B. C. Life Building in Chicago, paying for it with funds received in part from all sections of the country.
 - (b) Sells life insurance through a local agent in San Francisco.
 - (c) Prints its stationery at the home office.
 - (d) Invests in each state a certain proportion of premiums received from residents in that state and deposits the investment securities in a trust company in each state.
 - (e) Borrows money from the X Trust Company in Chicago.
 - (f) Mails to a selected list of 100,000 prospects a misleading circular promising benefits which could not possibly be given at the rates charged.
 - (g) Offers free life policies of \$1,000 for one year to certain officials of those railway companies which give 33 1/3 percent discounts in passenger fares to the Chicago officers of the A. B. C. Company in going to the annual convention in San Francisco.
 - (h) Applies for permission to sell insurance in Washington, D. C.
- State which of the above activities congress might regulate, referring to the power which congress has over the subject.

5. Explain whether the following laws would be constitutional or not, and why:

- (a) A national act requiring interstate railway companies to charge rates which would yield them a return of not more than 3 percent on the value of their property used in the business.
- (b) A state law forbidding stores within the state to buy their stocks of goods from producers outside the state; also requiring stores to employ only American citizens.

(c) Sociology

- 1-2. (a) Enumerate the various factors contributing to the present distress among working classes in the solution of which insurance might play a prominent part.
- (b) Bearing in mind the individualistic philosophy underlying the development of American institutions, outline the features of an insurance program which would be of distinct service to this large group.
- (c) What progress has already been achieved towards working out such a program in a practical way?
3. Enumerate and explain briefly the outstanding factors which have tended to complicate the sociological problems of the United States, particularly in the larger cities.
4. Outline for a life insurance company writing both ordinary and industrial policies (a) the reasons for establishing a health conservation service, (b) the particular types of disease towards which its activities should be directed, indicating the relative importance of these outstanding diseases and the trend in each, and (c) the particular methods to be used with each of these two classes of policyholders, explaining why such methods are suggested to the exclusion of others.
5. Contrast the fundamental idea underlying the workmen's compensation system with that upon which the old employer's liability regime was based. In what respects has the workman's compensation system tended to meet the social problem arising from industrial accidents?

PART IV

Commercial and Insurance Law

NOTE: The problems in this examination are based upon actual court cases and are designed to test a candidate's knowledge of essential principles of commercial and insurance law. Emphasis in grading will be placed upon the reasoning.

Modern Business-Getting Methods

1. Brown is an agent for the Excelsior Life Insurance Company, empowered by contract to solicit applications for life insurance.

(a) What are the powers of Brown to bind the company?

(b) What are the usual restrictions placed upon an agent by the insurance company?

(c) When is the principal liable for the agents' (1) unauthorized attempt to make contracts on the principal's behalf, (2) tortious acts, (3) criminal acts?

2. In August, 1923, Murray entered into an agreement with two other men who had previously formed the defendant corporation whereby the insured was to devote his entire time to superintending all work and to have charge of the employees engaging in the various contracts handled by the corporation. Each of the three men were to receive the same salary per week and insured was to receive one-third of the company's profits, having obligated himself likewise to take a portion of the stock which would eventually amount to one-third of the total stock insurance. A life insurance policy was issued on Murray's life on September 20, 1923, the Higgins company being designated as his employer and beneficiary. On his death in July, 1926, the insurer paid the proceeds to the corporation. The insured's executrix now seeks to recover the amount paid, claiming that the corporation had no insurable interest in insured's life.

Executrix vs. Higgins company.
Decide, stating reasons.

3. In December, 1928, the husband beneficiary shot and killed his wife and immediately thereafter committed suicide. At the time of her death, the wife held a \$4,000 life policy with her husband as beneficiary. The insurer paid the proceeds to the executor of the husband's estate. This action is brought by the administrator of the wife's estate to recover from the husband's estate the amount of the insurance in view of the circumstances of her death.

Decide, stating reasons.

4. What are the usual formal statutory requirements for a valid will?

5. Discuss fully the liability assumed by a corporate fiduciary in the administration of a fund under a deed of trust.

6. (a) Question whether the "Morning Journal," a daily newspaper, has the implied corporate power to issue accident insurance policies to its readers. Decide, stating reasons.

(b) Distinguish fully between insolvency and bankruptcy.

7. (a) Distinguish fully between a funded and unfunded life insurance trust and outline briefly the advantages and disadvantages of each.

(b) Describe briefly the rule against perpetuities and its operation in relation to business life insurance trusts in accordance with the law of your state.

8. (a) If a beneficiary is named in a life insurance policy without the right to change such beneficiary being reserved, may the insured, without the consent of the beneficiary, utilize the dividend, loan and surrender values of the policy? Discuss fully.

(b) On April 16, 1931, Morris received a notice from his life insurance company stating that a premium of \$281.16 would be due May 2. He drew a check on

May 1 for this amount upon the BST State Bank and delivered it to the life insurance company's agent the same day. The agent left town on an extended trip, taking the check with him. It was still in his possession when the bank failed May 27. Morris contends that his premium has been fully paid even though it does not appear likely that the bank will settle for more than ten cents on the dollar. Decide, stating reasons.

9-10. Explain fully the meaning of the following terms and expressions: (a) Negotiability, (b) Contingent beneficiary, (c) Tort and crime, (d) Gratuitous bailment, (e) Revocable trust, (f) Warranties and representations, (g) Suretyship, (h) Seal, (i) Limited partnership, (j) Incontestability.

PART V Finance

1. You are asked by someone unfamiliar with corporation finance, to explain the difference between the legal relation of (a) a common stockholder, (b) a preferred stockholder, and (c) a bondholder, to the corporation issuing these three types of securities.

How would you explain this difference?

2. The A. B. C. Corporation has outstanding 1,000 shares of common stock of which you own 200 shares. There are six directors of the corporation. Show how under a system of cumulative voting you would be assured representation on the board of directors.

3. (a) Describe four distinct sources of surplus of a business corporation.
(b) Distinguish between the sources of surplus of a business corporation and of a life insurance company.

4. During the past year business failures have been unusually frequent.

(a) To what basic causes other than the business depression do you attribute such failures?

(b) Under what circumstances would you recommend a reorganization of an industrial corporation which has gotten into financial difficulty?

(c) State clearly the objectives of reorganization, and show how these objectives may be accomplished.

5. It has been said that liquidity is one of the primary requisites of a commercial bank portfolio.

(a) What do you understand by liquidity in this question?

(b) How may a commercial bank attain such liquidity for its portfolio?

(c) How may this liquidity be impaired or destroyed?

(d) Show how life insurance may contribute to the liquidity of a commercial bank portfolio.

6. The federal reserve ratio at present is over eighty percent of deposit liabilities and outstanding federal reserve notes of federal reserve banks. On the basis of this large reserve, member bank credit could be expanded very materially.

(a) What do you understand by the "federal reserve ratio"?

(b) Show carefully how member bank credit may be expanded on the basis of the reserves of Federal reserve banks.

(c) How may federal reserve banks stimulate credit expansion?

(d) What would be the effect of too rapid credit expansion?

7. (a) Distinguish between commercial credit and investment credit.
(b) What practical significance do you attach to this distinction?

8. In 1929 a number of American corporations sold common stocks, using the proceeds from the sales to retire their bonded indebtedness. In view of the fact that some of these companies have since then either reduced or suspended their cash dividends on their common stocks, do you think their policy of debt retirement was sound? Answer fully from the viewpoints of the various parties affected by this policy.

9. It has been said that one of the cardinal principles of an investment program is diversification with a view to minimizing risks.

(a) Define or explain the meaning of the black face words.

(b) Outline a program of investment, incorporating the above principles, for an unmarried man, 45 years old, having a net annual income of six thousand dollars, and ten thousand dollars in cash.

10. It has been maintained that the common stocks of many of our well-managed corporations partake of the nature of investments. Do you agree with this contention? Apply as tests the principles of sound investments.

Period of Opportunity

Caleb Baldwin, Seattle general agent of the Connecticut Mutual Life, is a great believer in organized sales presentation. His agency has made a splendid increase this year which he attributes to organized selling. Mr. Baldwin also has his agents thoroughly sold on the idea that this period of depression is an opportunity for life underwriters, as life insurance is an essential in times of stress, whereas in times of normalcy people spend their savings on luxuries and non-essentials.

Burial Association Under Law

HARTFORD, June 25.—Under the terms of a new law operative July 1, persons or firms issuing burial contracts or certificates in this state will acquire the status of insurance companies, and become subject to the supervision of the insurance department.

Has Ten Questions That Can Be Used As Opening Wedge

Ten questions found to be a successful opening wedge in getting a hearing for income insurance or retirement annuity, used by O. P. Sturm of Tulsa, Okla., one of the big producers of the George E. Lackey agency of the Massachusetts Mutual, are:

Do you own the first securities you ever bought?

Do you still have the first savings account money?

Do you still have your first life insurance policy?

In what form do you make your present regular monthly savings?

Is the interest rate guaranteed?

Has there been any loss in that form of savings in recent years?

What do you consider the safest possible savings investment now?

Did you ever buy any U. S. Liberty bonds?

Do you still own them?

Did you get par when you sold them?

If I show you a plan of savings with absolute safety of principal, one that yields as good interest returns as you can get from bank savings or government bonds, and in addition, give your wife life insurance protection, would you be interested?

A semiannual dividend of 6 percent and an extra dividend of 3 percent has been declared by the **Pan-American Life**.

Annuities

Insurance

AMERICAN CENTRAL LIFE

INSURANCE COMPANY

INDIANAPOLIS

Old Line Legal Reserve
Established 1899

HERBERT M. WOOLLEN, President

Guaranteed
BenefitsGuaranteed
Low Cost

Let the Company Pay All Accident Expenses

The actual cost of nursing, hospital care, medical and surgical attention nowadays easily runs to overwhelming figures in case of injury.

Our new reimbursement contracts pay all such expenses actually incurred up to a satisfactory limit, besides the usual benefits for loss of time and loss of life, limbs, sight, etc.

For rates, etc., inquire of our local office or write to

**Connecticut General
Life Insurance Company**
Hartford, Conn.

« « « AND IN 13 NORTH CENTRAL AND ATLANTIC STATES



Opportunity for Individual Producers in the PAN-AMERICAN FIELD OFFICES

IN THE PAN-AMERICAN AGENT'S TOOL KIT:

MODERN POLICIES

Including
The Family Protection Contract
Life Expectancy Insurance
The Original "5-Point Victory"

GROUP

Wholesale
Salary Deduction
Insurance

Substandard

Home Office Helps

Prospect Systems

Selling helps and facilities for additional training afforded through the Pan-American's Forty-one general agencies and managers' offices in these North Central and Atlantic states, make individual agency contracts with this company attractive beyond the liberal commissions they provide.

Pan-American general agents and managers are qualified to train inexperienced men as well as assist in the selling problems of more seasoned producers. This is one reason why the Pan-American has succeeded in developing managerial material from the ranks of its individual representatives. Individual members of its field organization are given every opportunity to qualify as managers.

Life agents seeking company connections are invited to communicate with one of the Pan-American field offices or with

TED M. SIMMONS
Manager United States Agencies



PAN-AMERICAN LIFE INSURANCE CO.

CRAWFORD H. ELLIS
President

NEW ORLEANS, U.S.A.

E. G. SIMMONS
Vice-Pres. and General Manager

THE 1931 PAN-AMERICAN CONVENTION



Royal York Hotel—Toronto

Representatives of the Pan-American in its domestic territory will leave early in July for the Company's agency convention in Toronto, Canada, July 9-10-11. With headquarters in the beautiful Royal York Hotel, the convention will be typical of those held for leading producers of the Pan-American.

A Few Policy Contracts

Endowment at Age Sixty-Five.
20 payment
Continuous Premiums
Multiple Option (Coupon Policy).
Central Life Select Risk Ordinary Life
Modified Ordinary Life.
Modified Term Expectancy.
Continuous Monthly Instalment.
Guaranteed Retirement Income at ages 55-60-65.
Juvenile Twenty Pay Endowment at Age Eighty-five.
Juvenile Endowments maturing at any specified ages between sixteen and twenty-one.
Five Year Term With Automatic Conversion to Ordinary Life.
All regular Policy forms written in addition to above special policies.

■ ■

Location

The Home Office of the Central Life is located in the Central Life Building at 720 North Michigan Avenue, Chicago, occupying five floors of a sixteen story building owned without incumbrance by the Company.

Our Central location enables us to serve promptly all territories.

■ ■

Affiliations

OUR PROGRESSIVENESS is manifested through our active participation with co-operative groups interested in the modern trend of Life Insurance. The Company or its officers are members of the following:

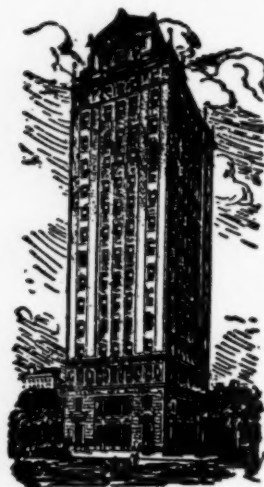
Life Presidents' Association
Life Insurance Sales Research Bureau
Life Agency Officers Association
American Life Convention
a. Medical Section
b. Legal Section
c. Office Management Section
American Institute of Actuaries
Actuarial Society of America
Association of Life Underwriters
Life Office Methods Association
Life Office Management Association

■ ■

Clubs and Contests

The One Hundred Thousand Dollar Club—the Aristocracy of the Central Life.

The Marathon Club—The App-a-Week Producers of the Company. The Company believes in occasional Contests so arranged that large and small producers alike can win.



CENTRAL LIFE INSURANCE COMPANY OF ILLINOIS CHICAGO



ALFRED MACARTHUR : *President*

R. E. IRISH : : : *Vice President*

THE Central Life Insurance Company is agency-minded. Aggressive field trained executives with years of actual experience behind them direct this twenty-two-year-old organization.

The remarkable strides in growth taken by this Old Line Legal Reserve Company are attributed largely to the harmony existing between the Home Office and the field.



Underwriting Facilities

Participating Life Insurance.
Non-Participating Life Insurance.
Annuities—immediate and deferred.
All Non-Participating policies participate when paid up.
A broad selection of policy contracts.
Policy contracts free from restrictions.
Policy contracts free from technicalities.
Cash value available at the end of second year.
Automatic premium loan privilege keeps business in force.
Juvenile policies.
Issued from birth.
Full benefits at age five.
Settlement options unbeatable.
Age limits one day to sixty-five.
Non-Medical business up to three thousand dollars.
Excess interest paid on funds left with the company.

■ ■

Agency Contract

Liberal First Year Commissions.
Non-forfeitable renewals.
All contracts direct with company.
Home Office Agency.
Service Department.

■ ■

You Can Meet Competition With These Strong Contracts

*Special Select Risk,
Ordinary Life Non-Participating*
Rate Age 35—19.71

Modified Term Expectancy
Rate Age 35—14.03

A special 31 year term policy with cash, loan, paid-up and extended insurance values, conversion privilege without examination within 26 years.

■ ■

Educational Department

A thorough training course for the new man.
Group meetings held at intervals at the various Agencies.
Definite training for Agency Managers.

